

Press release: Ending late payments to small businesses

- Proposals include measures to empower trade bodies to highlight best and worst practices in payment behaviour in order to deliver practical improvements
- Part of the modern Industrial Strategy, helping our small businesses deliver growth and jobs

New measures to end the problem of late payments to small businesses by large companies who abuse their position in the market have been unveiled today (4 October 2018) by the Small Business Minister Kelly Tolhurst as she launches a call for evidence.

Nearly a quarter of UK businesses report that late payments are a threat to their survival. Tackling them represents a huge opportunity for economic growth, with research from the Federation of Small Businesses suggesting it could add £2.5 billion to the UK economy and keep an extra 50,000 businesses open each year.

The new proposals, building on action government has already taken to improve access to finance and the appointment of the Small Business Commissioner, include:

- the call for evidence to consider the best way company boards can put in place responsible payment practices throughout their supply chain, for example giving a non-executive director specific responsibilities for the company's prompt payment performance
- promoting innovative technologies, such as the latest accounting software, to help small firms manage their payments processes, and empowering trade bodies to highlight the best and worst practices in payment behaviour

Small Business Minister Kelly Tolhurst said:

Our 5.7 million small businesses are the backbone of our economy, and ensuring we remain one of the best places in Europe to start and grow a small business is a key part of our modern Industrial Strategy.

Over the past 5 years the amount owed to businesses in late payments has halved, but we will go further to make sure all of our small businesses are treated fairly.

Today's new call for evidence will help us identify the most

effective way possible to tackle this issue once and for all and ensure small businesses are on a level playing field with their larger counterparts.

Federation of Small Businesses (FSB) National Chairman Mike Cherry said:

Late payment is the biggest challenge affecting small businesses and it is good to see the government getting serious about this issue, especially when it comes to large firms paying their supply chains promptly.

The voluntary Prompt Payment Code is not working when it allows signatories like Carillion to pay on terms of over 120 days, so we want to see a new tough and transparent compliance regime being proposed.

Involving the Small Business Commissioner Paul Uppal with the Code is also right as it shows a more joined-up approach to this difficult issue. Further, it is a positive step that central government will set an example – paying 90% of undisputed invoices from small and medium-sized businesses within five days.

The publication of the new call for evidence follows an announcement by the Business Secretary Greg Clark earlier this week where he set out other new measures to support small businesses, including:

- the Small Business Commissioner to join the Prompt Payment Code's Compliance Board to support his role in tackling late payment
- the Board to consider all complaints made about compliance as part of regular reviews, and report on all cases of signatories being removed from the Code
- further reform to the Code to be considered including whether the Small Business Commissioner should have a greater role in its administration

Small Business Commissioner Paul Uppal said:

I welcome the opportunity to join the Prompt Payment Code's Compliance Board. I am looking forward to working with the Prompt Payment Code Administration Team and improving current processes to ensure timely payments, which will encourage growth and productivity for SMEs across the UK.

The government has also set the ambition that all its departments commit to paying 90% of undisputed invoices from SMEs within 5 days and ensure all government departments have a dedicated non-executive director responsible

for prompt payment, improving payment practices and exploring how better to use technology to make payment processes more efficient.

Some large businesses use late payments and extended payment terms to exert control over small businesses in their supply chain, and the government will now seek the views of the UK business community on how best to ensure small businesses are given a fair deal.

Cabinet Office Minister for Implementation Oliver Dowden said:

We expect the highest payment standards from both government and big business.

That is why we will commit to central government aiming to pay 90% of undisputed invoices from small and medium sized businesses within five days. Small firms can also report poor payment practices via our Mystery Shopper service, which ensures their voices are heard.

We are listening to businesses and doing more than ever to level the playing field for small businesses to win work in the public sector.

Emma Jones, MBE, founder of Enterprise Nation, said:

We're delighted the government has taken this step to ensure they are setting the right example in paying within five days and further enforcing the prompt payment of invoices for SMEs.

There is absolutely no doubt that late payment, often 60 days and even beyond, has a dramatic and disproportionate effect on smaller firms, which often rely on cashflow to fund trade and avoid unnecessary debt. The continued attention on the issue of late payment should enable UK enterprise to further flourish.

The Call for Evidence launched today forms part of the government's modern [Industrial Strategy](#), which is committed to creating a fair and just business environment and ensuring Britain is one of the best places to start and run a small business.

It will be open until 29 November 2018 and the government is encouraging, businesses, trade associations and other interested parties such as academics to contribute their views to it.

The Call for Evidence will be available from 9:30am on 4 October 2018.

Late payment occurs when a business has been supplied goods or services on credit but fails to pay within the agreed term. Legally, if no explicit payment terms have been agreed, payment is assumed to be due after 30 days for the purposes of charging statutory interest.

Enterprise Nation is a small business support network that represents the views of thousands of UK small businesses.

News story: Scottish companies win £1.7 million UK Government funding for healthcare innovation

Three Scottish companies are to receive funding for health tech research, part of the UK Government investment in developing technology to transform health and social care. They are

- RoslinCT, Edinburgh. Awarded £887,000 to develop stem cell therapies for clinical use, working with ReproCELL.
- Stormid, Edinburgh/Glasgow. Awarded £586,000 to develop digital services for patients with lung conditions.
- Daysix, Edinburgh/Glasgow. Awarded £290,000 to develop a clinical decision support app with the potential to transform the delivery of trauma care globally.

The projects have been funded by the UK Government as part of its Industrial Strategy Challenge Fund, managed by UK Research and Innovation.

UK Government minister for Scotland, Lord Ian Duncan, will today [Thursday 4 October] visit all three of the Scottish projects. Speaking ahead of his visits Lord Duncan said:

This UK Government funding is about supporting breakthrough technologies to transform healthcare across the country for both patients and staff. Three Scottish companies will receive more than £1.7 million to develop cell-based therapeutics, digital self-management services for lung patients and systems to provide real-time decision support in the care of trauma patients. Scottish

companies are at the forefront of life science developments, and this UK Government funding will help them develop their expertise even further.

Daysix

UK Business Secretary Greg Clark said:

Technology is revolutionising industries across our economy, and new innovations play a key role in advancing our healthcare sector to make sure people are living longer, healthier and happier lives.

By pooling the expertise of the public and private sectors, as highlighted through the Life Sciences Sector Deal and the modern Industrial Strategy, we are making every opportunity to reach our full potential in finding new discoveries and technologies to diagnose illnesses earlier that could lead to more lives being saved.

Ian Campbell, Executive Chair of Innovate UK, for UK Research and Innovation said:

The projects we have funded today aim to make a real difference for patients and clinicians. They represent the very best of British innovation, focusing on improved patient outcomes and driving efficiency. The UK health sector is thriving, with SMEs playing a crucial role. By supporting this sector, as part of the government's modern industrial strategy, we can ensure we remain global leaders in health innovation and create the jobs of tomorrow.

[Press release: Flood risk management scheme for Worcestershire village opens](#)

Today (Thursday 4 October) celebrates the official opening of a £4.1 million flood risk management scheme, which will reduce the risk of flooding for 272 homes and businesses in Broadway, Childswickham and Murcot.

Nigel Huddleston MP for Mid-Worcestershire, Worcestershire County Councillor Liz Eyre BEM, who represents Broadway, and Tony Jones, retired Chief Engineer

from Wychavon District Council, will be unveiling a plaque and burying a time capsule at Badsey Brook in Broadway. Anthony Parry from the Environment Agency will be giving an outline of the scheme.

Broadway, Childswickham and Murcot were severely flooded in 2007 following record breaking rainfall across the area and the villages were again flooded in 2012. The new flood storage area, sited at an 18 acre field in Broadway, will be able to hold up to 135,000 cubic metres of water during times of flood and will only allow a set amount of water to flow downstream at times of intense and high rainfall. This will reduce flood risk to 57 properties in Broadway and 215 properties in Childswickham and Murcot.

The Badsey Brook flood risk management scheme has been delivered as part of the Environment Agency's £2.6b capital investment programme to reduce flood risk to 300,000 homes by 2021.

The Environment Agency, Worcestershire County Council, Wychavon District Council, Broadway Parish Council and Childswickham Parish Council worked in partnership to secure over £2 million of Government Grant in Aid funding towards the scheme. The Environment Agency's English Severn and Wye Regional Flood and Coastal Committee also contributed £1.2million. Worcestershire County Council and Wychavon District Council and the local parishes contributed the remaining £900,000.

As a condition of the planning application, detailed archaeological investigations, part funded by Worcestershire County Council, were carried out at the site, unearthing evidence of settlements dating back around 8,500 years. Finds included a beaker dating from around 2,000 BC and skeletons of a mother and baby.

Daniel Wilkinson from the Environment Agency said:

Flooding has a devastating impact on the lives of people and communities that are affected. It's brilliant that by working with our partners we have found a solution that is designed to greatly reduce the risk of flooding for residents living in Broadway, Childswickham and Murcot.

Nigel Huddleston MP commented:

I am delighted that after so much hard work the Badsey Brook scheme is being officially opened. Broadway and Childswickham in my constituency suffered terrible flooding in 2007 and 2012, so it is a huge relief to see substantive action taken to avoid this happening again.

Flooding is personally, financially and environmentally devastating and as local MP I would like to thank the Environment Agency, Worcestershire County Council, Worcester Archaeology, English Severn and Wye Regional Flood and Coastal Committee, construction

workers and local people for contributing to the completion of this vital scheme. May it protect people, businesses and properties for years to come.

Barrie Parmenter, Chair of Broadway Parish Council, added:

On behalf of Broadway Parish Council, I would like to thank the Environment Agency, Worcestershire County Council, Wychavon District Council and all other agencies for commissioning the flood scheme in Broadway. This now means that hundreds of families will no longer live in fear of flooding when severe weather reports are issued for the district.

Cllr. Emma Stokes, portfolio holder for environment and street scene for Wychavon District Council said:

We're very pleased to be investing in this important flood alleviation work which will protect many homes in the local area. Flooding impacts not just on residents' homes but is an incredibly stressful process to go through. This scheme will offer protection and peace of mind. We're also really pleased to see former Wychavon employee Tony Jones supporting the official opening. This recognises his hard work and dedication to flood alleviation over the years.

[Press release: Flood risk management scheme for Worcestershire village opens](#)

New £4.1 million Badsey Brook flood risk management scheme to reduce the risk of flooding for nearly 300 properties in Worcestershire.

[Press release: Government announces](#)

new generation of council housing

Today the government has announced borrowing restrictions will be removed enabling councils to play a key role in delivering the homes their communities need.

In the latest measure by the government to make the housing market work, the Housing Revenue Account borrowing cap for council house building will be lifted.

This gives councils the tools they need to deliver a new generation of council housing – up to an estimated 10,000 additional homes a year.

Councils in areas of high affordability pressure have already been invited to bid for a share of £1 billion extra borrowing to build much needed homes.

Today's move recognises that councils see the borrowing cap as the greatest barrier to building new homes.

The interest in bidding for a share of the £1bn borrowing increase also showed that they are ready and willing to deliver the homes their communities need.

Removing the borrowing cap entirely is also likely to diversify the house building market, with councils being better able to take on projects and sites that private developers would consider too small.

The cap will be lifted as soon as possible, with further details confirmed in the Budget.