

Speech: Supporting small business to start-up, scale-up and grow

It is a pleasure to be here today at the UK Commercial Finance and Banking Conference in the City of London, one of the world's preeminent financial centres.

Throughout the 19th century, the City was the world's primary business centre, and it continues today to play host to many of world's leading trading and financial services companies.

Indeed, it ranks first globally in the Global Financial Centres Index.

No other city can rival its unique environment for success with access to the best talent in the world; high quality business education; a stable tax environment; effective regulation, all in an entrepreneurial and innovative setting.

Today, we benefit from having many of the financial sector's leaders under one roof.

As Minister for Small Business it is my privilege to work in collaboration with you all, to ensure that UK businesses have every chance to grow to their full potential.

We are already in a strong position.

At the start of 2016 there were a record 5.5 million private sector businesses.

An increase of 97,000 since 2015 and over 1 million net new businesses since 2010. More than 99% of these are SMEs.

Small businesses employ 12.5 million people – 48% of the total UK private sector.

They boast a combined annual turnover of £1.3 trillion – 33% of all private sector turnover.

There is no direct measure of the number of business start-ups in the UK, but based on new business bank accounts opened, it is estimated that there were around 416,000 UK start-ups last year.

We can be proud of this. We have an excellent record in creating businesses, coming third in the OECD's ranking for start-ups.

We rank seventh globally in both the World Bank's Doing-Business Index and the World Economic Forum's Global Competitiveness Index.

All of which goes to explain why private sector jobs have increased by 3.6

million since the quarter May to July 2010.

The government is determined to continue this success.

We heard an expert account earlier from Shiona Davies about the state of the market for SME finance.

The SME Finance Monitor is an invaluable source of up-to-date information and is required reading at BEIS.

I won't comment on Shiona's masterly analysis, so let me offer 2 more general thoughts.

As we heard in the panel session, the market for finance is more responsive, more diverse and offers more options than ever before.

That's good news for London, the FinTech capital of the world, and also for SMEs across the country who 'should' benefit from these new services.

I say 'should' because there is evidence that some areas are still missing out.

If we look at equity finance for example, there is a huge disparity between the 'golden triangle' of London, Oxford and Cambridge and the rest of the country.

This morning's panel considered some important questions:

- Is there an information gap?
- What support do SMEs need?
- How can we stimulate demand?

It's important to understand these in context. Our answers must be tailored to individual businesses in a specific location.

That is why government has put in place a network of 39 Growth Hubs across the country, supporting SMEs in their local area to thrive.

I know that many of you here already work with Growth Hubs, but I would urge all of you to increase collaboration at the local level.

It is easy for us to forget just how focused business owners are on running the business from day to day. But it's essential that knowledge is shared.

If we are to have any hope of bridging the information gap, we need to make our communications easier to access and even more relevant.

We already have an excellent product in the Business Finance Guide which UK Finance members helped to create.

Several of you also distribute the guide to your customers and direct them to the website. Thank you for that.

Visitor numbers to the website have trebled since last year, so we are on the

right track.

I hope you will keep working with the British Business Bank to make the Business Finance Guide even more compelling, relevant and easy for businesses to access.

Still, there is not much point in giving advice to people who don't trust you.

And it is sometimes suggested that there has been a breakdown of trust in banking, leading to low demand.

While overall trust in banks is actually quite high in this country – higher than in Germany, France or Italy for example – we do need to look at the experience of individual businesses.

Especially when their finances are under stress and they are looking to their bank for support.

Given the importance of trust, and the importance of standards in building trust, it is perhaps surprising that agreed industry standards for SME banking were only put in place earlier this year.

The Standards of Lending Practice for Business Customers are extremely welcome, and I would like to thank everyone involved in developing them, some of whom are in this room.

These are clear, well-written, important principles that will make a real difference – so long as they are applied in the spirit in which they were written.

Let me just remind you of a few principles from the Standards, for SMEs in financial difficulty. Firms should:

- demonstrate an empathetic approach;
- apply an appropriate level of forbearance; and
- work with and support a customer's turnaround plan.

These behaviours will take time to embed in everyday practice.

My request to you is this: please don't wait for an audit from David Pickering and his team at the Lending Standards Board.

Start now. Make sure that the Standards are understood and acted on in all parts of your business but especially in your teams dealing with recoveries, where business owners are at their most vulnerable.

This afternoon's panel will discuss the issue of redress, how to provide effective dispute resolution and put right past errors.

At the same time, let's resolve not to repeat those mistakes.

Applying the Standards of Lending Practice will go a long way to make sure

that such events can never happen again.

The strength of UK finance will be an invaluable asset for the economy and the country, whatever the future may bring.

That future will be built on strong foundations.

I look forward to working with you all to ensure that businesses in all parts of the country get the finance they need to support more businesses to scale-up and reach their full potential and to build trust by ensuring that business customers are treated fairly and consistently.

Thank you.

[News story: Defence Ministers meet US Secretary of the Navy for the first time](#)

They reviewed a number of defence and security issues, including our close Carrier cooperation, our deepening capability collaboration on F-35s and P-8A Maritime Patrol Aircraft, and the UK's National Shipbuilding Strategy. The meetings underscored the strength and strategic importance of the UK-US Defence relationship, as well as each other's role at the forefront of NATO.

Defence Secretary Sir Michael Fallon said:

Britain has no closer friend than the United States and across the globe our nations stand side by side defending our values. Our Armed Forces work closely together in every area of defence from planning for future challenges through to working together on operations around the world today.

Minister of State for the Armed Forces Mark Lancaster said:

As the Minister responsible for the Royal Navy, I was delighted to welcome Secretary Spencer on his first official visit to the UK. Our meeting highlighted the unrivalled levels of interoperability between the Royal Navy and the US Navy, and the disproportionate contribution they make to our overall bilateral defence relationship.

As previously announced we continue to make good progress on the plan to deploy HMS Queen Elizabeth on her inaugural deployment in 2021 with USMC F-35B embarked.

Minister of State for Defence Procurement Harriett Baldwin said:

I thanked Secretary Spencer for the US Navy's continuing excellent support in helping the UK quickly field P-8 maritime patrol aircraft in support of our joint requirements, building on the MPA declaration I signed earlier this year with former Deputy Defense Secretary Bob Work, to ensure increased value for money and operational effectiveness for both countries.

We also discussed the UK National Shipbuilding Strategy, the importance of close partnerships with Industry, and opportunities for further collaboration as our countries look to new platforms in the coming years.

Press release: International Trade Secretary Dr Liam Fox committed to future UK trade and investment in ASEAN

International Trade Secretary, Dr Liam Fox, today (11 October) opened the ASEAN@50 Business Forum and hailed the region's strong trade links with the UK.

The Association of South East Asian Nations (ASEAN), which is celebrating its 50th anniversary this year, is hosting the event to highlight business opportunities and celebrate the region's strong economic growth.

Addressing a range of businesses and diplomats, the Secretary of State emphasised the deep relationship between south east Asian countries and the UK, and spoke of his desire to improve trade relations with the region as the UK leaves the European Union.

Currently 15% of all ASEAN's EU trade in goods and services is with the UK, and exports have risen rapidly to the likes of Singapore and Indonesia in recent years. The stock of UK foreign direct investment in both countries also increased by 8.3% and 4.4% respectively last year.

With a population of more than half a billion people, and average economic growth of 5% over the last decade, the region has immense potential for increasing trade and investment with the UK.

ASEAN was formed 50 years ago as a political association between Indonesia, Malaysia, the Philippines, Singapore and Thailand, and now also includes Brunei, Cambodia, Laos, Myanmar and Vietnam.

The Secretary of State has visited the region 5 times since the Department of International Trade was created last year, and has been deeply impressed with the appetite to do business with UK companies.

International Trade Secretary, Dr Liam Fox, said:

ASEAN countries already have strong trading ties with the UK and, as we leave the EU, the region's rapid growth presents a huge opportunity for British business to forge even closer ties with businesses across South East Asia.

As an international economic department we will support UK companies wanting to export to ASEAN markets, and will continue to encourage investment between the region and the UK.

The Department for International Trade provides businesses wishing to export to foreign markets with a range of assistance, including [UK Export Finance](#).

UKEF's mission is to ensure no viable UK export fails for lack of finance or insurance, while operating at no net cost to the taxpayer.

In 2016/17 UKEF provided £3 billion in support, helping 221 UK companies sell to 63 countries around the world, 79% of these companies were SMEs.

Other tools include the [great.gov.uk](#) website which allows business to access live export opportunities around the world, as well as being notified when an overseas company is looking for a particular product.

Today's event was jointly hosted by the [UK-ASEAN Business Council](#), the Department for International Trade and the Foreign and Commonwealth Office.

[News story: Foreign Secretary expresses concern over UK national denied entry to Hong Kong](#)

Foreign Secretary Boris Johnson said:

I am very concerned that a UK national has been denied entry to Hong Kong. The British Government will be seeking an urgent explanation from the Hong Kong authorities and from the Chinese Government.

Hong Kong's high degree of autonomy, and its rights and freedoms, are central to its way of life and should be fully respected.

Follow the Foreign Secretary on Twitter @BorisJohnson

Media enquiries

Email newsdesk@fco.gov.uk

Newsdesk 020 7008 3100

[News story: Thirty-two academy leaders elected to help schools thrive](#)

The names of 32 academy leaders elected to help shape the future of schools in their local areas, have been announced today (11 October) by the Department for Education.

The leaders – who were elected by their peers across the country – were chosen because they have the right experience and local knowledge to take on this important role. They will each join one of the eight regional Headteacher Boards across England. The boards provide support to the Regional Schools Commissioners in those areas as they work to provide effective oversight of local schools and advise the National Schools Commissioner, Sir David Carter and the government.

Parliamentary Under Secretary of State for the School System, Sir Theodore Agnew, said:

Headteacher Boards have already shown they can provide invaluable support in improving the education of pupils across England and I'd like to thank everyone who has played an important role so far.

The local expertise and wisdom of the newly elected members will be vital in helping schools continue to flourish and I look forward to working with them in my new role.

The newly elected members will build on the successes of the previous Headteacher Boards, which have been in place since July 2014 when the role of

Regional Schools Commissioner was created. The Headteacher Boards have already helped a growing number of academies to share expertise with neighbouring schools and within multi-academy trusts, driving improvement for thousands of pupils.

Two additional board members will be appointed by each Regional Schools Commissioner, and the board will be able to appoint further members to fill skills or expertise gaps in the future. Those elected to Headteacher Boards do not have decision-making powers, but provide local expertise to inform the decisions of National and Regional Schools Commissioners and ministers.

National Schools Commissioner, Sir David Carter, said:

Over the last three years the expertise of Headteacher Boards has been so important in helping to create a self-managing and ever-improving education system.

I know from personal experience how much Headteacher Boards help inform decisions and I'm looking forward to working with the newly-elected members to help make our school system even better.

The academy leaders elected to the Headteacher Boards, assuming the position on 1 November 2017, are:

Regional Schools Commissioner (region)	Elected member (school)
Janet Renou (north of England)	Zoe Carr (WISE Academies), Chris Clarke (Lunesdale Learning Trust), Nick Hurn (Trinity Catholic Trust), Lesley Powell (North East Learning Trust)
Vicky Beer (Lancashire and west Yorkshire)	Julie Bradley (Tauheedul Education Trust), Karen Bramwell (Forward As One Church of England Multi Academy Trust), Royston Halford (The Rowan Learning Trust), Duncan Jacques (Exceed Academies Trust)
John Edwards (East Midlands and the Humber)	Peter Bell (Community Inclusive Trust), Anne Martin (QEGSMAT), Roisin Paul (Chorus Education Trust), Paul Stone (Discovery Schools Academy Trust)
Christine Quinn (west Midlands)	Dame Mo Brennan (Matrix Academy Trust), Mike Donoghue (John Taylor MAT), Sinead Smith (Holy Spirit Catholic Multi Academy), Margaret Yates (All Saints Catholic Collegiate)
Lisa Mannall (south-west England)	Sally Apps (Cabot Learning Federation), Suzanne Flack (The Redstart Learning Partnership), Paul Jones (Retired from First Federation Trust Academy), Steve Savory (Gloucestershire Learning Alliance)
Sue Baldwin (north-east London and east of England)	Brian Conway (St. John the Baptist Catholic MAT), Caroline Derbyshire (Saffron Academy Trust), Karen Kerridge (Benflet Schools Trust), Nardeep Sharma (Thrive Partnership Academy Trust)

**Regional Schools
Commissioner (region)**

Elected member (school)

Martin Post (north-west London and south central England)	Sarah Bennett (Inspiring Futures Through Learning), Dame Sue Bourne (Retired from The Avenue School – Special Needs Academy Trust), Tom Rees (Northampton Primary Academy Trust), Claire Robins (Sir John Lawes Academies Trust)
Dominic Herrington (south London and south-east England)	Sir Andrew Carter (South Farnham Educational Trust), Jon Chaloner (GLF Schools), Paula Farrow (Nexus Education Schools Trust), Justin Smith (The Primary First Trust)

Further information:

1. The electorate was made up of all academies in England open on 1 June 2017. Each senior leader was only able to vote in the election for the Headteacher Board covering the region in which their academy is located.
2. The elections used a first-past-the-post system with conditions to ensure that at least one primary head and one secondary head is represented and to ensure that no more than one head per single academy chain is elected onto each board.
3. Candidates for the elected positions must either: • currently be serving as a headteacher of an academy rated by Ofsted as 'outstanding' overall with 'outstanding' leadership and management or • currently be serving as a headteacher of an academy rated by Ofsted as 'good' overall with 'outstanding' leadership and management or • have (within five years of 1 June 2017) served as a headteacher of an academy which met either of the first two criteria above at the time of your departure, and is now serving as a Senior Executive Leader* (SEL). [*A Senior Executive Leader (SEL) is defined in the Academies financial handbook 2016]