

Tinu Fagbayi
Small Business Commissioner Secondary Legislation
Department for Business, Energy and Industrial Strategy
1 Victoria Street
Westminster
London
SW1H 0ET

6 December 2016

Dear Sir

Small Business Commissioner Policy for Secondary Legislation Consultation

In response to the above consultation we are writing to express our support for the government's initiative to improve the transparency of payment terms and to assist small suppliers in receiving payments on time. We continue to support the Small Business Commissioner and its role as a mediator to resolve payment disputes between small and large companies. Unlike other initiatives, such as Duty to Report, we think this mechanism is appropriately targeted at the real issue which we understand is to identify large businesses that do not pay their suppliers in line with agreed payment terms or those whose payment terms are unreasonable. Furthermore, the Small Business Commissioner is likely to be a cost-effective and less time-consuming solution for large companies that already pay suppliers on time, and will also require small companies to consider their responsibilities before escalating a dispute.

We strongly recommend BEIS do not go ahead with the Duty to Report initiative as the proposed requirements are disproportionate, will be costly for businesses, and lead to unhelpful misinterpretations. As stated above, the Small Business Commissioner is a better targeted and more cost-effective response to the issue. Once the Small Business Commissioner has gained experience in the role, if still required, it will be best placed to make a more informed decision about any reporting from large companies.

We have not answered the individual questions in the consultation as this is best left to individual companies. However, we suggest the Small Business Commissioner takes care when generalising views on the behaviour of "large companies". The public's and media's perception of "large companies" is the FTSE 100 (our membership), whereas the Small Business Commissioner will be referring to "large companies" as any company with over 50 employees. Therefore the vast majority of the "large companies", as defined here, will be outside the FTSE 100.

Who we are

The 100 Group of Finance Directors represents the views of the finance directors of FTSE 100 and several large UK private companies. Our member companies represent almost 90% of the market capitalisation of the UK FTSE 100 Index. Our aim is to contribute positively to the development of UK and international policy and practice on matters that affect our businesses, including taxation, financial reporting, corporate governance and capital market regulation. Whilst this letter expresses the views of The 100 Group of Finance Directors as a whole, those views are not necessarily those of our individual members or their respective employers

Please feel free to contact us through the 100 Group's website, www.the100group.co.uk, should you wish to discuss our comments.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. Houlden', with a stylized flourish at the end.

Russ Houlden
Chairman
Financial Reporting Committee