

Government tackles late payments to small firms to protect jobs

- Government to strengthen Prompt Payment Code, ensuring larger companies pay their suppliers on time
- required payment period to small businesses slashed in half to 30 days, with commitments to be made personally by CEOs or Finance Directors
- tougher rules come as government looks to increase powers of the Small Business Commissioner to protect jobs and growth as we build back better from the pandemic

An overhaul of the Prompt Payment Code (PPC) to crack down on delayed invoices owed to small businesses has been announced by the government today (19 January).

Under new reforms, companies that have signed up to the Prompt Payment Code will be obliged to pay small businesses within 30 days – half the time outlined in the current Code.

Despite almost 3,000 companies signing the Code, poor payment practices are still rife, with many payments delayed well beyond the current 60-day target required for 95% of invoices. Currently, £23.4 billion worth of late invoices are owed to firms across Britain, impacting on businesses' cash flow and ultimate survival.

To help tackle the problem, businesses owners, Finance Directors or CEOs will be required to take personal responsibility by signing the Code, acknowledge that suppliers can charge interest on late invoices under the Code and that breaches will be investigated. Those signed up to the Code will redouble their efforts to ensure payments are made on time and breaches will continue to be publicised by the government in order to encourage compliance.

The move comes as the government seeks to strengthen the powers of the Small Business Commissioner (SBC) to ensure larger companies pay their smaller partners on time. New powers proposed in a recently closed consultation include legally binding payment orders, launching investigations and levying fines.

Small Business Minister Paul Scully said:

Our incredible small businesses will be vital to our recovery from the coronavirus pandemic, supporting millions of livelihoods across the UK.

Today, we are relieving some of the pressure on small business owners by introducing significant reforms to the UK payments regime – pushing big businesses to pay their suppliers on time.

By signing up to the Prompt Payment Code and sticking to its rules, large firms can help Britain to build back better, protecting the jobs, innovation and growth which small businesses drive right across the UK.

According to the Federation of Small Businesses (FSB), around 50,000 businesses close every year due to late payments, damaging Britain's prosperity and threatening jobs.

Small businesses account for two-thirds of UK private sector employment and more than half of business turnover. Late payments impact their bottom line, which can hold back investment or job creation and, in the worst cases, lead to job losses and business closures.

The reforms will help to build a culture of prompt payment between companies and challenge UK businesses to change their practices and stand by small partners at a critical time for the UK's economic recovery.

The changes coming into effect immediately are:

- requiring a company's CEO or Finance Director, or the business owner where it is a small business, to personally sign the Code to ensure responsibility for payment practices is taken at the highest level of an organisation
- introducing a new logo for signatories to use in external communications to show their commitment to the Code, making it more damaging to a company's reputation to breach it
- acknowledgement as a condition of signing the Code that suppliers can charge interest on late invoices
- enabling administrators of the Code to investigate breaches based on third-party information

In addition, the new requirement for signatories to pay 95% of invoices from small businesses (those with less than 50 employees) within 30 days will be effective from 1 July 2021. The target for larger businesses will remain 95% of invoices within 60 days.

Interim Small Business Commissioner Philip King said:

I am delighted to launch the reformed Prompt Payment Code. In addition to their current public commitment to pay 95% of all payments to their supply chain within 60 days, signatories of the reformed Code have committed to paying 95% of their small business suppliers within 30 days. I commend those signatories who make further individual commitments to go further and settle invoices sooner.

Late payment causes real hardship to small businesses, and the issue is more prevalent > than ever due to the continued impact of the pandemic. Code signatories of all sizes demonstrate their commitment to ending the culture of late payment and helping to

increase business confidence. I encourage businesses of all sizes to implement ethical business practices and sign up to become a Code signatory and join us on our journey to aid business recovery post COVID-19”.

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

A late payment crisis was massively stifling the UK economy before Covid hit. The pandemic has deepened it. FSB has campaigned for good payment practice to become the norm across the UK economy, not least through a toughening of the Prompt Payment Code and the adoption of 30 days as the new maximum payment period.

It's good to see the progress announced today by BEIS and especially the outgoing Small Business Commissioner that has driven this agenda. It's now time for swift delivery, and for all existing and future PPC signatories to implement 30 days as the new maximum. Ending our pernicious poor payment culture for good over the coming months will be fundamental to turning our hopes of economic recovery into reality.

The Confederation of British Industry's Chief UK Policy Director, Matthew Fell said:

COVID-19 has once again highlighted the importance of maintaining healthy supply chains.

Small companies are the backbone of the economy, but remain the most at risk from a late or unpaid invoice – particularly after months of pressure on cashflow. Businesses have been making good progress to improve payment practices, but more can be done.

Introducing new rules to drive faster payments to smaller businesses will strengthen supply chains, benefiting the firms that need it most, and shortening the road to recovery.

The PPC currently has over 2,800 signatories, who are required to pay 95% of their invoices within 60 days or else be publicly struck off the Code until substantial changes to their payment practices have been made.

When a company is struck off the Code for poor practice, this is publicly announced by the Small Business Commissioner's Office. A record of signatories and struck-off companies is maintained on the [Prompt Payment Code](#) and SBC websites.

The changes to the Code sit alongside a [consultation on the powers of the Small Business Commissioner](#), which closed on 24 December 2020. The government will publish consultation responses and take forward proposed reforms in due

course.

[Joint Statement on Carrier Strike Group 2021 Joint Declaration Signing](#)

Press release

Defence Secretary Ben Wallace and US Acting Secretary of Defense Christopher C. Miller have co-signed the UK-US Joint Declaration for the Carrier Strike Group 2021 deployment.



The UK and US have confirmed their joint participation in the Carrier Strike Group's upcoming deployment. Crown copyright.

The Joint Declaration supports UK Carrier Strike Group, led by the UK's aircraft carrier, HMS QUEEN ELIZABETH, on its inaugural deployment this year. The Carrier Strike Group will be complemented by US Marine Corps and US Navy personnel and equipment, including a detachment of US Marine Corps F-35B Lightning II aircraft and the US Navy's destroyer, USS THE SULLIVANS (DDG-68).

Defence Secretary Ben Wallace said:

This joint declaration paves the way for the US Navy and Marine Corps to be joining the HMS QUEEN ELIZABETH Carrier Strike Group this year for the inaugural Carrier Strike 21 deployment.

I am delighted that the UK now possesses a 21st century Carrier Strike capability, which has been greatly assisted by the unswerving support and cooperation of the United States at all levels over the past decade.

This deployment embodies the strength of our bilateral ties and

reflects the depth and breadth of this vital defence and security partnership.

The UK reached a major milestone in December when it declared its Carrier Strike programme had achieved Initial Operating Capability following a series of multi-national exercises throughout 2020. This Joint Declaration paves the way for a successful inaugural operational deployment of the UK Carrier Strike Group alongside its allies.

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Enhancing cooperation between the Arab nations and bringing peace and stability to the region

Thank you, Your Excellency. I want to congratulate you, Mr Chairman, and Tunisia, on organising this meeting with the League of Arab States. I would also like to thank the Secretaries-General for their briefings today. We agree with others that sustainable long-term peace and prosperity is best achieved through coordinated efforts to prevent and resolve conflict.

It is also only right in this, the 75th anniversary year of their foundation, to recognise the primary role of the United Nations, the League and other multilateral organisations in creating and supporting the international rules-based system that provides a foundation for coordinated and collective action to address our biggest challenges. An achievement that is brought into sharp relief in a year where we have all suffered, and continue to suffer, from a global pandemic.

The League has played and continues to play an important role in promoting regional peace and security. Enhancing cooperation and friendship between the Arab nations, and between the region and the rest of the world. Throughout its history it has been a voice of moderation and mediation during times of regional conflict. Building on this, and deepening inclusive political processes with female participation, will enable us all to confront the urgent challenges that we share in the region and that still demand the international community's immediate attention.

Turning to some specifics and beginning with Syria, a negotiated political settlement remains the only sustainable solution to the conflict and the United Kingdom continues to support UN Special Envoy Pedersen's efforts to that end. We will not consider funding reconstruction without a political process firmly underway, and we welcome the League's continued suspension of

Syria. Resolution 2254 requires: a nationwide ceasefire; unhindered aid access; releasing those arbitrarily detained; conditions for safe refugee return; and free and fair elections pursuant to a new constitution. Instead, the Asad regime's policies continue to devastate the Syrian economy, deny aid to those in need, and endorse repeated violations of international humanitarian and human rights law.

With regards to the Middle East peace process, the United Kingdom remains committed to a two state solution, leading to a safe and secure Israel living alongside a viable and sovereign Palestinian State, based on the 1967 lines and with Jerusalem as the shared capital of both states. The United Kingdom is clear that all actions that undermine this objective must cease, including terrorism, incitement, settlement expansion, and demolitions. The United Kingdom has welcomed recent Arab-Israeli normalisation agreements, which show that dialogue triumphs over hostility. The closer ties and benefits of these agreements must also be extended to the Palestinians. We encourage the parties to harness the new regional dynamic, and through dialogue and compromise, to move towards a lasting solution to the conflict.

In Libya, we welcome the UN-brokered ceasefire and continue to stand ready to support the political roadmap agreed by the Libya Political Dialogue Forum, working towards elections in December 2021. We welcome the efforts of the League to support a peaceful resolution to the conflict, including through their support to the Berlin process. It is clear that that the Libyan people have had enough of instability, violence, and external military interference in their affairs. It is incumbent on the international community to play our role in helping Libyans on their path to peace and stability.

The United Kingdom is deeply concerned by the ongoing conflict in Yemen and its devastating humanitarian crisis. We fully support the peace process led by the UN Special Envoy Griffiths, and urge all the parties to engage constructively. A political settlement is the only way to bring long-term stability to Yemen and to address the worsening humanitarian crisis.

Finally, Mr Chairman, looking ahead, the region shares with the rest of the world two challenges in the short and longer term: COVID-19 recovery and reversing climate change. As we build back better towards a long-term, sustainable, peaceful, and prosperous future, we look forward to deepening and developing the relationship between the United Nations and the League of Arab States.

Thank you.

Russia: UK condemns arbitrary

detention of Alexey Navalny

Press release

The UK has condemned the 30-day detention of Russian opposition activist Alexey Navalny, who was poisoned by Novichok in 2020.



Foreign Secretary Dominic Raab said:

It is appalling that Alexey Navalny has been detained on arbitrary charges. The UK Government calls for his immediate and unconditional release.

Mr Navalny is the victim of a nerve agent attack, and the Russian authorities should investigate and explain the use of a chemical weapon on Russian soil.

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First meeting of the new Build Back Better Business Council

The Prime Minister and the Chancellor chaired the first meeting of the new Build Back Better Business Council this afternoon. The Business Secretary, Trade Secretary and Vaccines Minister also attended the meeting.

The Prime Minister opened by thanking the businesses for their efforts throughout the pandemic, highlighting the importance of businesses and government continuing to work together.

He updated the Council members on the vaccine roll-out, with the Chancellor reiterating that the single most important economic policy for the here and now is rolling out the vaccine as quickly as possible.

The Prime Minister spoke about how the steps we have taken in the pandemic have rightly focussed on the need to shield our economy from the deepest economic downturn in centuries, however, we also need to look ahead to our economic recovery and the wider task of renewing the UK.

The Prime Minister outlined the need to seize opportunities of Brexit, support job creation, cement the UK's position as a science superpower, deliver an upgrade to infrastructure and launch a green industrial revolution – ensuring that we build back better, fairer, greener, and faster.

The Chancellor laid out the three key pillars of the government's plan to drive growth beyond the pandemic: investing in infrastructure, skills and innovation. He set out that improved infrastructure leads to improved productivity, skills are the single best way to drive human productivity and key in addressing regional disparity, and investment in innovation is critical to deliver new growth, ideas and services.

The Council discussed the government's plan and offered their individual perspectives on the best ways to promote economic recovery and growth going forwards. The Council agreed to continue to provide feedback on the proposal in the coming months and consider the role that businesses can play.

The Business Secretary gave an update on the Better Regulation Cabinet Committee, reinforcing how this would be about improving standards and fostering a more supportive business environment. The Trade Secretary spoke about the Office for Investment and the work government is doing to identify and encourage investment into the UK.

The Prime Minister closed the meeting by thanking the businesses for their great ideas and committed to working closely with them in the future to draw upon the members' collective expertise.