



Department for Business & Trade

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Kevin Hollinrake MP
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Dear Andrea,

Thank you for your email of 21 November, regarding issues raised from your recent Kirklees Council meeting around Small Business Saturday. As I hope you will appreciate, the Secretary of State receives significant volumes of correspondence on a daily basis, and, regrettably, is unable to respond to each one personally. These issues fall within my remit as Minister for Enterprise, Markets and Small Business and I have been asked to respond.

The Government fully supports Small Business Saturday. Since its inception in 2013, it has engaged millions of people and has made a real difference to local businesses.

We want to encourage as many people as possible to take part in the campaign and help shine a light on our diverse small business population right across the UK. It is important to continue championing shopping at smaller retailers throughout the festive season and the winter months, highlighting their role in local communities and keeping our small businesses thriving.

In the recent Autumn Statement, the Chancellor announced a substantial business rates package to support the UK's small businesses worth £4.3 billion over the next 5 years. This includes a rollover of Retail, Hospitality and Leisure relief for 230,000 properties and a freeze to the small business multiplier, which will protect c.90% of ratepayers (when taken together with Small Business Rates Relief) from inflationary multiplier increases for a fourth consecutive year. This balances support for the high street with fiscal responsibility, by ensuring that support is targeted at those who need it most.

The Government also wants the tax system to be simpler, fair and to support growth and announced a range of changes to make it easier for businesses to interact with the tax system, including expanding the 'cash basis' – a simplified way for over 4 million smaller, growing traders to use a simpler method of calculating their profits and pay their income tax. This ensures that businesses start out on the simpler regime as standard.

The Government also acknowledges that late payment remains a significant problem for small businesses. We are completely focussed and determined to see late payments reduced to ensure that small businesses are given the best chance of succeeding and growing. The Office of the Small Business Commissioner (OSBC) was set up by the Government under the Enterprise Act 2016, to tackle late payment and unfavourable payment practices in the private sector. The OSBC considers complaints from small businesses that are having issues receiving payment from larger customers. The service is

impartial and free to use, and they can provide recommendations and advice to both parties within the dispute in addressing unpaid invoices. Further details can be found at www.smallbusinesscommissioner.gov.uk.

We launched a review of Cash flow and Prompt Payment, alongside a public consultation on the Payment Performance Regulations at the beginning of 2023 to tackle and improve delivery and enforcement of policies, enabling more small businesses to get paid on time. The findings of the review, alongside the consultation response, has been published alongside the 2023 Autumn Statement, see the following link: www.gov.uk/government/publications/publication-of-the-prompt-payment-and-cash-flow-review

Small and medium sized enterprises (SMEs) are the backbone of our economy and this Government places them at the heart of our policy making. We provide extensive support to new and aspiring businesses, through Business Support Helpline, a network of Growth Hubs and GOV.UK website, which contains information and guidance on starting up and running a business.

All individuals and businesses can access core services, information and guidance on starting up and running a business, including statutory rights and obligations for business owners, on GOV.UK at www.gov.uk/browse/business. Specific advice on what you need to do to start a business is provided online at www.gov.uk/set-up-business.

Thank you again for writing. I hope you find this response helpful.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Kevin', written in a cursive style.

KEVIN HOLLINRAKE MP

Minister for Enterprise, Markets and Small Business