

Government Unveils Small Business Plan

Will it help your business?

The government launched its Small Business Plan in August which it believes will help small businesses grow and encourage entrepreneurs to start businesses.

The plan recognises that small businesses make a vital contribution to the economy, employing 60% of the UK's workforce and generating £2.8 trillion in turnover.

Here is a breakdown of some of the key measures and how they may impact your business.

Could This Be the End of Late Payments?

Likely not, however, the government is promising the toughest late payment legislation in the G7.

They plan to introduce:

- / A legal requirement for large businesses to pay within 60 days, moving to 45 days over time
- / Mandatory interest charges on late payments
- / Greater powers for the Small Business Commissioner, including the ability to fine persistent offenders and carry out spot checks
- / Audit committees to be legally obliged to scrutinise payment practices

These reforms could ease cashflow pressures for you and reduce the amount of time spent chasing invoice payment.

Better Access to Finance

The plan includes several measures that could increase access to finance, including:

- / 69,000 Start-Up Loans, paired with business mentoring
- / A £3 billion boost to the British Business Bank to help more lenders offer loans
- / £340 million in regional equity investment to help entrepreneurs across the UK
- / A new Code of Conduct on personal guarantees for government-backed loans

These changes could mean that there will be more routes to affordable finance.

Cutting Red Tape

The plan promises to make a 25% cut in regulatory administration costs, and reform the tax and customs system to make things simpler and quicker. Any time saved on compliance and admin means more time for growing your business.