



Small Business  
Commissioner

# The Annual Report of the Office of the Small Business Commissioner

For the Year ended 31 March 2023





# **The Annual Report of the Office of the Small Business Commissioner**

For the Year ended 31 March 2023

Presented to Parliament pursuant to Section 9(3) of the Enterprise Act 2016.

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# Performance Report

The overview section provides statements from the Office of the Small Business Commissioner (SBC) on the performance of the organisation in 2022-23. It sets out the SBC's purpose and role and provides analysis of how we have performed against our strategic objectives and mitigated risk.

# Overview

The Office of the Small Business Commissioner (SBC) was established under the Enterprise Act 2016 to provide crucial support and guidance to small businesses. Our focus is on offering information and support to small businesses regarding their payment disputes with larger businesses in the private sector, specifically in relation to supply chain management. Our key services include providing people with the information they need to resolve payment disputes and providing a free dispute resolution service for those unable to reach agreement themselves.

Small businesses are a vital part of the UK economy, and we are dedicated to representing their interests. We collaborate with industry leaders, business associations,

and local councils to gather insights. We also strive to create an environment that enables small businesses to speak out and share their experiences.

As an Arm's Length Body, classified as a Non-Departmental Public Body, we are accountable to the Secretary of State for Business through the Sponsorship Team at the Department for Business and Trade (DBT). We work closely with our sponsorship team and the various partnership teams within DBT, and with the Minister for Small Business, to provide intelligence about issues affecting the small business sector, including the impact of government policy and legislation.



## Statement by Commissioner, Liz Barclay

Despite still grappling with difficult times, there was a growing sense of business optimism towards the end of 2022 and in spring 2023. We were hearing of amazing resilience and dogged determination in the small and micro business sectors. Reports were beginning to show rising confidence and despite headlines about bigger companies 'ripping off' their smaller suppliers we were hearing more about better payment practices than we expected when I typed my first statement as Small Business Commissioner last year. However, now as this report is being finalised' confidence seems to be waning, if not already going into reverse as inflation continues to stubbornly resist attempts to bring it down and interest rates go on rising. We're also hearing of bigger firms increasingly looking to safeguard their own financial position by offering suppliers extended payment terms.

I have the latest SBC figures at my elbow. We have had fewer complaints about payment practices than previous years although we have had more general enquiries than previous years. Many of the engagements we have with small businesses are about issues outside our rather tight remit. They tend to be about payments in the construction sector, or from small businesses about other small businesses. We cannot deal with those disputes. However, we can signpost to other sources of information, advice, or dispute resolution service. It can take a lot of time and effort to get enough information from a

caller to determine that the case is not one for us. By the time we've done that we may have done enough, given the caller enough tips and tools, so they can self-help to a satisfactory outcome. After all we all want better outcomes for small firms.

However, these impacts represent a small picture of what we do. We only ever report complaints that are in our remit and that follow the formal complaint process, resulting in payment of money owed. Our total figure for money paid up, is only that paid because of our direct intervention. And then there's the vast number of visits to our website and thousands of people using our interest rate calculator to invoice their late paying customers for interest on overdue invoices. We may be assisting the UK's small business population to recover many hundreds of thousands of additional payments that we know nothing about. Very few people contact us to tell us about their successful outcomes, achieved with our unknowing help.

My ambition for the next year is to gain better insight into just how much impact we do have on money paid. I also want to know how much impact we have through our webinars, speeches, presentations, panel sessions, interviews, meetings, the engagement side of the work. It is even harder to judge the impact of that. If we don't know what works and what doesn't work, we can't hope to improve outcomes for our vital small businesses.

In the meantime, surveys from the likes of the British Chambers of Commerce show firms are still concerned about skills and labour shortages, inflation, interest rates, competition, taxation, business rates. Technology is improving by the day and that is helping businesses big and small improve engagement and payment times. There is also increasing pressure on bigger firms to pay faster and fairer as Good Business Pays calls out poor behaviour and rewards good practices, investors including big pension funds demand to know how well small suppliers are treated, and Boards are constantly reminded by organisations like the Chartered Institute of Internal Auditors (<https://www.iaa.org.uk/>) and NEDonBoard (<https://www.nedonboard.com/>) that good payment practices equal good governance. The smaller firms are at the forefront of levelling up and also need cash to devote to reaching net zero and digital transformation. Business confidence has been growing with Small Business Britain (<https://smallbusinessbritain.uk/moving-forward>) finding that despite nearly 4 in 10 businesses thinking they will not grow or decline in 2023, just over 6 in 10 believe they will grow in the next 12 months. However, as I've said we've seen that optimism draining away more recently and we need to make sure firms can achieve their ambitions by managing short term cash shortages so that they can expand, upskill, train, and hire people with the right skills. One way of funding those steps to growth is to make sure they get paid quicker.

It's more important now than ever to get money to them as quickly as possible. It all adds up to certainty, the willingness to take some risks, increasing confidence and better business from which #EverybodyBenefits.

Apart from our obsession with getting payments to small suppliers quicker we have been undergoing a Statutory Review of our effectiveness. Alongside that the Government's wider 'Payments and Cashflow Review' has revealed just how complex the UK's Business to Business payments systems can be. The various reviews have given all stakeholders a great opportunity to comment on how we can improve payment practices. There will be a report in the autumn, which may map out changes to how the SBC operates and on what new tools the Government will add to the payment's toolkit.



Liz Barclay, 28/2/2024



# Vision, Mission and Values

## The SBC Vision

Small businesses, from the local florist to the family-run bakery, are the unsung heroes powering our economy and driving our recovery. Our vision is a payment culture in the UK where small businesses get paid quickly and fairly for the work they do, and big businesses understand the benefit to everyone in the economy of paying their small suppliers quickly and have the culture and processes in place to make sure their payment practices are fair.

## The SBC Mission

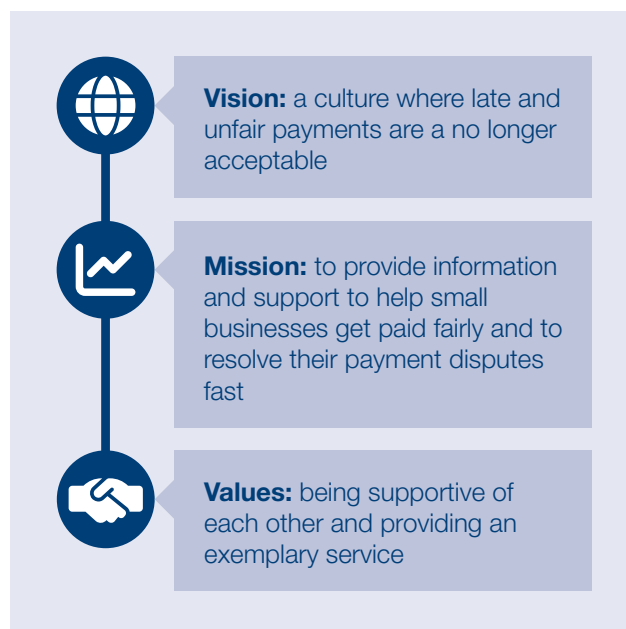
Small businesses are the backbone of our economy, but when they do not get paid on time or face disputes with larger contractors, it can lead to severe cash flow problems. This, in turn, can affect their ability to deliver core services and, in many cases, even threaten their survival. That's why we are on a mission to empower and support small businesses to avoid these issues altogether. By providing small businesses with the tools they need to negotiate fair contractual payment terms, improve invoicing, and cash flow management, and leverage technology to their advantage, we are helping them to take control of their businesses.

We are also working to raise awareness among bigger businesses of the vital role that small businesses play in our economy and supply chains. By promoting ethical behaviour and fair payment practices, we

hope to foster a culture of mutual respect and support. Our support dispute resolution services are here to guide small businesses through eligible payment disputes and ensure that they have access to the information they need to thrive. Above all we want to drive a culture of change that makes late and unfair payments a thing of the past.

## Values

We are driven by values that are central to work: support, openness, honesty, and collaboration to deliver a much-needed service. We believe these values are essential for building strong relationships with small businesses and helping them achieve fairer outcomes by advocating for timely payments and fair treatment for small suppliers.

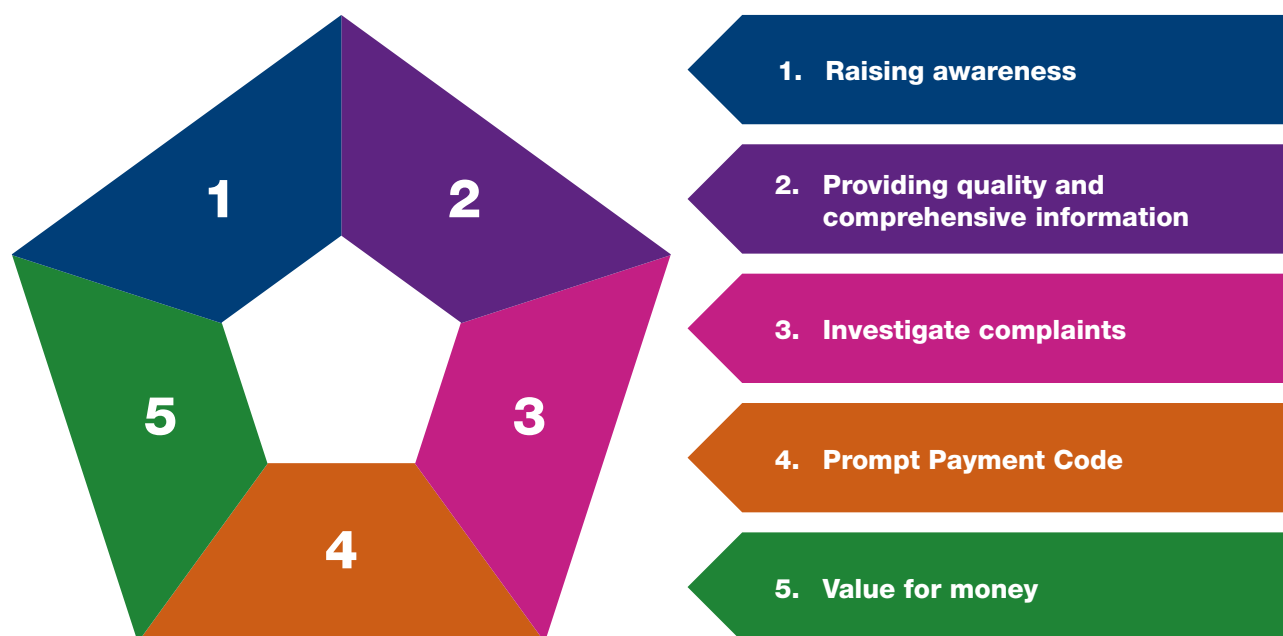


## Strategic ambition and objectives

The strategic ambition of the SBC is to empower small businesses throughout the UK to resolve payment disputes with larger businesses and avoid future issues by encouraging a culture change in payment practices. It is not just about fixing problems after they occur. We want to see a different culture of payment practices, so that

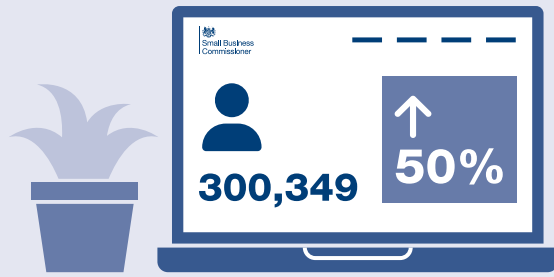
small businesses never have to struggle to get paid in the first place, where the smallest businesses are respected as the vital contributors to the economy that they are, making crucial contributions to their communities as well as economic recovery post covid, and are paid fairly and quickly for the work they deliver.





As part of these statutory functions, the SBC has five key aims:

1. We will engage with small businesses and take on board their comments and requests as far as possible, to make sure that we have the right content on the website (including other sources of help and support and self-tools). We will also continue to engage across the small business sector through enhanced communication activities and strategic partnerships
2. **Quality and comprehensive information** Through our engagement events we will provide increasingly high-quality and comprehensive information to support small businesses in tackling payment problems and work to help them build their confidence and capability to assert themselves and negotiate more effectively.
3. We will **investigate complaints** from small businesses experiencing payment problems as set out by the enterprise act 2016, quickly and impartially, and help small businesses resolve payment disputes in ways that preserve business relationships.
4. **Prompt Payment Code (PPC)** The PPC is a voluntary set of guidelines for businesses that encourages timely payments. It is administered by the SBC on behalf of DBT. This work is in addition to the work generated by our statutory remit and objectives. We work collaboratively and proactively with DBT to ensure that companies that show exemplary conduct, and that are developing best practice in payment performance, are encouraged to sign up to the Code.
5. **Value for money** We leverage our financial and/or non-financial information to make a difference and share our experience, knowledge and insights with DBT, the Small Business Minister and all other relevant policy makers, regulators and support organisations.



**300,349 contacts with the SBC** were total visitors to the website. This is an increase of 44% on 21/22.



We now have more than 4,400 subscribers to our newsletter which is a **70%** increase



**New website users: Up 12%** from the previous financial year.

Our intervention =



**£283,458** was paid to small businesses as a result of our direct intervention



## Total complaints and Enquiries

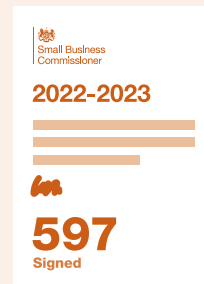
**387 small businesses reached out to the SBC** seeking assistance with payment issues

**369 of these were enquiries**

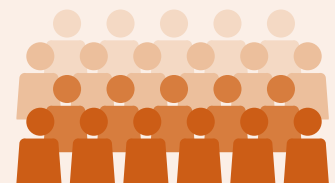
**18 progressed to formal complaints.**



The average duration for complaint investigation was 15 days. Out of the complaints formally investigated **91%** were resolved within Service Level Agreement (SLA).



**4,287** Signatories to date



**597** signatures applied and were accepted onto the Code, resulting in a total of **4,287 signatories** to date.

## Performance Overview

Throughout 2022-23, the Office of the Small Business Commissioner (SBC) demonstrated a strong commitment to supporting small businesses amidst the ever-changing economic landscape. The challenges posed by surging energy costs, supply chain disruptions, and rising inflation significantly intensified the issue of late payments for businesses across various sectors. In response, the SBC actively participated in numerous events across the UK, collaborating with key organisations representing small business interests. From our expanded national stakeholder events network in Scotland, Northern Ireland, and Wales to our regional events, we remain steadfast in our role as a strong advocate on payment matters, as detailed in Annex A.

The challenging economic environment in which small businesses operate has led to a notable increase in enquiries. While website visits are on the rise, there was a decrease in calls and emails translating into formal complaints. This shift indicates a change in how businesses seek information from us, with a preference for self-help over third-party intervention. Despite the reduction in direct complaints, our analytics show no decline in the number of people needing assistance or facing payment issues. In fact, total website visits increased by 50% in 2022/23, with 300,349 contacts with the SBC originating from website visitors.

During the same period, 387 small businesses sought assistance with payment

issues, with 369 of these requests classified as enquiries. Each enquiry represents an individual, and our team invested time in addressing complex problems, even if they fell outside our statutory remit. In terms of formal complaints, our team investigated 18 cases within our dispute resolution remit. Of these, 16 achieved satisfactory outcomes, resulting in the recovery of outstanding payments. In the remaining 2 cases, we advised complainants that their only recourse was through the civil court system.

Our interventions not only helped businesses recover debts but also alleviated crucial cash flow challenges, enabling them to meet financial obligations. By the end of the reporting period, SBC facilitated the recovery of £283,458. In addition, Insight reports were published to illustrate the impact of late payment on businesses, emphasising how it can cause cash flow problems, increase administrative costs, strain customer relationships, and limit investment, productivity, and growth potential.

The emotional toll on small business owners awaiting payments should not be underestimated. The stress and anxiety resulting from delayed payments can pose real concerns about their ability to pay bills and support their families. We are acutely aware of the impact our work has on small businesses, particularly in cases where financial hardship or mental well-being issues are a consequence of disputes or insolvency.

In the past year, small businesses in the retail, construction, travel, and hospitality sectors have faced significant cash flow challenges. Unfortunately, many business owners are reluctant to formally complain about overdue invoices to avoid damaging relationships with customers. Consequently, obtaining necessary information for dispute resolution becomes challenging. Moreover, many cases that come to our attention fall outside our statutory remit, often due to businesses accepting payment terms that exceed 60/90/120 days. Our remit limitations hinder our ability to offer direct interventions and comprehensive support. Despite these obstacles, our team remains dedicated to assisting small businesses in overcoming cash flow issues and resolving disputes, recognising the critical importance of cultivating a thriving business environment.

In February 2023, the Government initiated a Statutory Review of the SBC, inviting views and evidence from stakeholders on our performance. This review is part of the broader Payment and Cash flow Review, examining business payment performance, payment culture and behaviour, and the Government's role in promoting prompt payment by businesses. The review of the SBC specifically will consider our effectiveness in improving payment practices, raising awareness, and promoting the use of alternative dispute resolution procedures among small businesses. It will also evaluate the governance relationship between the SBC and DBT, assessing the potential for a more efficient and effective arrangement. Throughout this period, we will continue to engage with stakeholders to gather insights and build a clearer picture of the late payment and poor payment practices landscape. All findings will contribute to the final review report expected in Autumn 2023.

Our work extends beyond addressing complaints and enquiries. Throughout the reporting period, the SBC's communications team has focused on increasing the visibility of our services through our website, newsletters, blogs, and social media posts. Analysing our digital presence enables us to track user engagement rates and curate content based on user needs. This information helps us reach a broader audience, directing our efforts where they are most effective.

Considerable attention has also been given to the Prompt Payment code (PPC). At the financial year's conclusion, 597 signatures were accepted, bringing the total number of committed signatories to the Code to 4,287.

To fulfil our broader statutory obligations, SBC has published a three-year Business Plan, focusing on our five critical strategic areas. We have made modifications to our management information systems and implemented significant changes to improve corporate knowledge retention and risk management. This has resulted in the development of new core operational policies, systems, and processes to support more effective service delivery.

# Performance Analysis

## Strategic objective 1

### **Raising awareness through our digital communications offer**

The SBC's Communications Strategy for 2022/23 had several goals, including creating awareness about the SBC's role and the support it provides to small businesses across the UK. It also aimed to establish the Office as the primary organisation that small businesses can turn to for help with payment issues from larger customers, build organisational credibility, and encourage

cultural change in payment practices. We have continued to engage with the small business community using a broad range of digital communication tools such as our website, social media, direct emailing, and collaboration with stakeholders.

The Office's online and social media channels played a central role in increasing the SBC's profile among small business owners and stakeholders such as banks, accountancy organisations, and small business representative organisations.



## Communication End of Year Results

| Metric                                                                      | Target / volumes                                                          | 2021/22                                                  | 2022/23                                                                                                                                             |
|-----------------------------------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| Referrals to SBC website from social media channels                         | 20% Increase from existing 2021/22 baseline                               | 3,648                                                    | 1,720                                                                                                                                               |
| Total Website users                                                         | 20,000 extra users from 2021 baseline                                     | 200,924                                                  | 300,349 50% increase                                                                                                                                |
| New Website users                                                           | 10% annual increase                                                       | 192,365                                                  | 215,031 12% increase                                                                                                                                |
| Returning website users                                                     | To sustain 4% per quarter                                                 | 4.3%                                                     | 4.8%                                                                                                                                                |
| Newsletter open rate (OR) and click-through rate (CTR)                      | 30% OR & 20% CTR from 2021/22 baseline                                    | 30% OR and 20% CTR                                       | This year our subscriber list increased exponentially which does affect both the OR and CR. Despite this the average OR was 44% and the CR was 17%. |
| Newsletter subscribers                                                      | To increase the number of subscribers to the newsletter by at least 50%   | 500 subscribers                                          | We now have over 4,400 subscribers to our newsletter which is a 70% increase in subscribers.                                                        |
| Social Media Engagement rates:                                              | 1.8% Total engagement from 2021/22 baseline                               | 1.8%                                                     | 5% average engagement rate on Twitter and 5.8% was the average engagement rate on LinkedIn.                                                         |
| <ul style="list-style-type: none"> <li>Twitter</li> <li>LinkedIn</li> </ul> | To consistently average 1.5% - 2% engagement across social media channels | was the engagement for Twitter and LinkedIn in 2021/2022 |                                                                                                                                                     |

### Website

The SBC refreshed its website with self-help tools and news content aimed at supporting small businesses. The newly implanted tools covered a spectrum of small business needs, including the development of the interest calculator, how to manage invoices and how to lodge a complaint to the SBC. As a

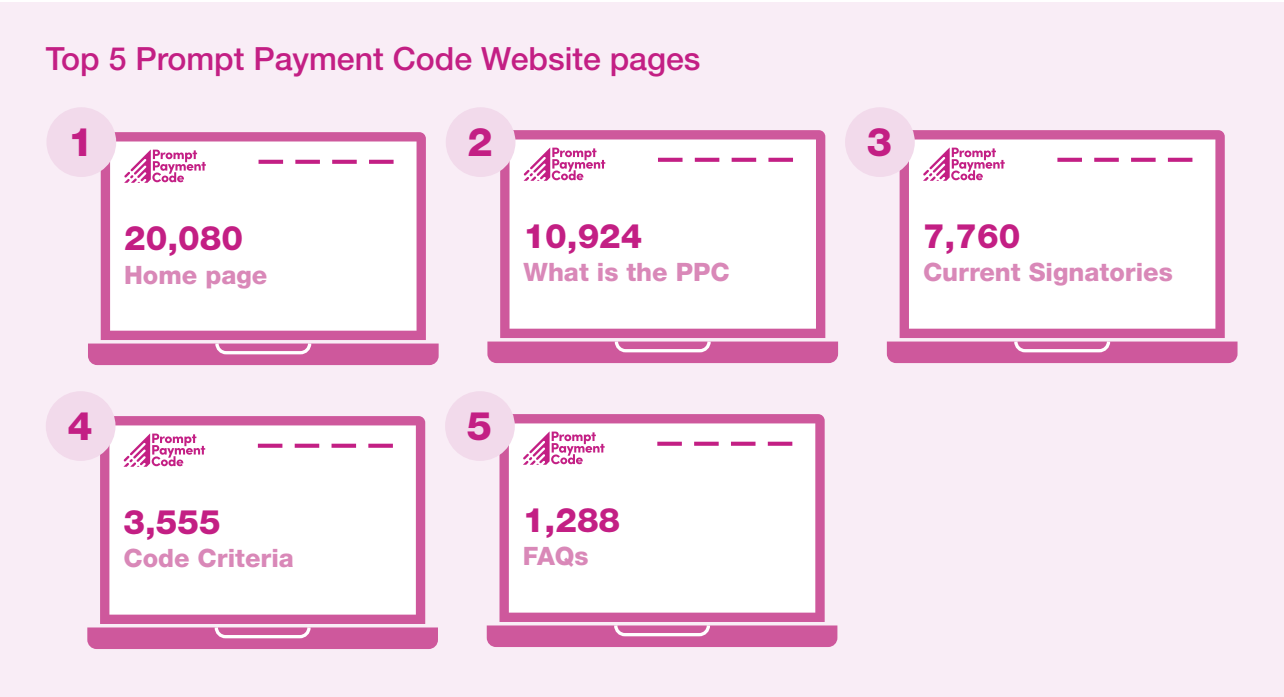
result, website traffic experienced exponential growth indicating a positive response from the small business community.

### Campaigns

Throughout the year, the SBC supported stakeholders with campaigns. We worked with Good Business Pays, ICAEW, TSB,

ACCA, National Enterprise Network, Enterprise NI, Business Gateway Scotland, Small Business Britain, and the banks, encouraging companies of all different sizes to pay small businesses fast and on time.

In January 2023, the SBC initiated the “Everyone Benefits” campaign, urging businesses to contribute to a more positive payment ecosystem. The [Commissioner called on businesses to do their part and pay suppliers quicker](#).



## Strategic objective 2 - Good Quality information and engagement events

We are dedicated to supporting small businesses by providing them with top-quality and comprehensive information to help them overcome payment challenges. Our goal is to boost their confidence and empower them to negotiate more effectively. Spearheaded by our Communications and Casework teams, we have designed events to deliver information combined with invaluable insights and solutions.

We actively engaged in meaningful conversations with medium and large businesses regarding their payment practices and participated in meetings, roundtables, panel discussions, conference speeches, and webinars hosted by organisations like the Accounts Payable Association and the CBI. By addressing larger firms as part of the audience, we ensure a comprehensive dialogue takes place. A full list of all engagement events can be found at [Annex A](#).

In the 2022/23 period, our team engaged with small businesses across the United Kingdom. Through collaboration efforts with stakeholders in these regions, we actively engaged with business groups, acquiring valuable insights into the challenges they face when it comes to payments.

### Wales

In Wales, the Commissioner alongside influential leaders attended by ACCA, Cardiff Business School, FSB, Chambers Wales Southeast, Southwest and Midlands, and CBI, where participants came together to discuss and address key payment issues in an interactive and collaborative setting.



## Northern Ireland

In June 2023, the Commissioner made a visit to Northern Ireland, collaborating closely with the Federation of Small Businesses (FSB) to address payment matters. The highlight was a roundtable session hosted by Association of Chartered Certified Accountants, at the University of Ulster, where the Commissioner met with financial professionals to discuss the unique challenges faced by small businesses in Northern Ireland. This event was shortly followed by a session organised by Enterprise Northern Ireland to support how small, micro, and self-employed businesses can secure the right support to get paid on time.



## Scotland

In Scotland, the Commissioner actively participated in a roundtable session hosted

by the FSB, delving into the repercussions of late payments on small businesses in the region. (Image available). Subsequently, the Commissioner had a meeting with Scotland's Minister for Small Businesses and attended several gatherings convened by Scottish MSPs, highlighting their interest in addressing payment related issues.

## GB News

Having secured a weekly slot on the GB News, the Commissioner fielded questions from viewers on how small businesses can protect themselves in all matters relating to late payments.



## Good Business Pays

The SBC extended its support to Good Business Pays to launch a compelling campaign involving leaders from the UK's biggest business groups including the FSB, and the Confederation of Business Industry to stop slow payments from harming small businesses. The "Wait Off" campaign was backed by more than 16 of the UK's most influential groups – representing a total of over half a million businesses in the UK – to up the ante in tackling the poor payment practices of big businesses across their respective industries. The campaign was also being backed by several UK businesses that support faster payments to small businesses.

## Strategic objective 3 - Casework

The SBC casework team offers a free, personal complaint handling and enquiry service. Each complaint or enquiry is managed by a dedicated case worker.

**1 Listen** to small businesses

**2 Triage** cases and establish the best way to resolve the dispute

**3 Secure** Business consent

**4 Make** our **recommendation**

**5 Negotiate an agreement** that is acceptable to both parties

**6 Work with businesses and their customer**, mindful to preserve the client relationship

Our casework team plays a central role in managing all enquiries, complaints, and contacts. Collaborating closely with the Communications team, we consistently update and enhance the content on our website to transform it into a valuable resource for individuals seeking pertinent information. When individuals contact us directly by phone or email, we diligently document their details in our casework reporting system. We aim to ensure consistency and clarity through a triage process, carefully evaluating the caller's situation to ascertain whether the case extends beyond the bounds of our dispute resolution jurisdiction.

### Definition of a Complaint

An overdue invoice is classified as a complaint only if a genuine dispute exists, and our statutory remit allows us to address it. The case must originate from a small business (with fewer than 50 employees) in relation to a larger firm (with 50 or more employees). Complaints involving two small businesses or those related to construction are beyond our statutory remit and are reclassified as enquiries.

### Handling Enquiries

Every enquiry received by the Casework team undergoes a comprehensive investigation, with the time invested varying from a few minutes to up to 2 hours for an initial review. While some enquiries may evolve into complaints within our jurisdiction, others may lead to alternative resolution services. Our goal is to empower individuals to independently resolve their issues, acknowledging the reluctance of small businesses to resort to legal action.

Furthermore, we understand the dissatisfaction some individuals may feel with

the referral process, recognising concerns about sharing personal information and the associated costs of alternative dispute resolution services. Despite these challenges, we make concerted efforts to assist with enquiries, mindful of the considerable time commitment each case demands.

### Examples of Enquiries

#### Enquiry (2 hours)

We investigated a complaint from an insurance company, reclassifying it as an enquiry after verification of third-party sources.

#### Enquiry (2 hours)

We investigated a complaint of late payment from an insurance company. All information was checked including verifying the address provided by the complainant. The Enquiry was re-categorised as a Complaint.

#### Enquiry (90 minutes)

We engaged in depth with a business about the terms of their original contract.

#### Enquiry (20 minutes)

A business called seeking advice on late payment. However, our team was unable to assist any further because the matter fell within the remit of the Construction Act 1998

### Enquiries and Signposting

Many callers contact us about a broad range of issues, spanning from employment complaints to energy services and domestic construction contracts. These emotionally charged conversations, underscore the statutory constraints hindering the SBC's ability to provide suitable interventions. In these circumstances, we signpost callers to appropriate services that are most suited to address their specific needs. We understand the importance of connecting individuals with organisations equipped to offer specialised assistance and navigate the intricacies of their unique circumstances.

### Website First

In the span of 2022/23 alone, our team was contacted online an impressive 300,349 times by small businesses. This is an increase of 50% on 21/22. At this stage, we are unable gauge individual outcomes relating to website visits, but the growing demand for information serves as an argument that despite a general decrease in average payment times over the last decade in the UK, there is still a substantial problem for small businesses awaiting payments.

When our team first emerged under the Enterprise Act 2016 and opened for business

in 2017, we anticipated that most people would reach out to us via phone and email, primarily regarding payment issues. However, over the past six years, we have transformed into a 'Website First' organisation, where individuals turn to our website as their primary source of information.

Recognising this shift, we have taken proactive measures to enhance the information available online. We have improved our analytics to ensure we can act on trends as they occur and introduced new pages on our website dedicated to subjects such as 'Letters Before Action' and 'How to Negotiate Fair Payment Terms.' These additions have proven successful, as people are now able to find the information, they need without having to contact us directly. Businesses have become more inclined to resolve issues independently rather than involving a third party, which could potentially strain their relationship with customers. As a result, website visits have seen a significant surge, while the volume of phone calls and emails has declined. The decrease in calls and emails does not signify a decrease in the number of individuals requiring our assistance or facing payment issues. On the contrary, website visits continue to increase annually, demonstrating a heightened awareness of our services and a growing demand for the information we provide. Notably, our Interest Calculator, which has recently been upgraded, has experienced an uptake in use, suggesting that individuals are either charging interest more frequently or want to resolve payment disputes relating to overdue invoices, without our direct intervention.

### Enquiry

Despite our best endeavours to explain the use of the Interest Rate Calculator online, people still want the reassurance that they have understood it correctly. We received a call from a small business who wanted to generate an invoice for a customer that reflected the interest charges that had accrued on an invoice. Our caseworker took the individual through the calculation step by step.

### Casework and Enquiries in 2022/23:

**Enquiries:** In the reporting year 2022/23, 387 small businesses sought assistance from the Office of the Small Business Commissioner regarding payment issues. Among them, 53 initially presented as Complaints but were later reclassified as Enquiries upon investigation, falling outside our dispute resolution remit. Throughout the year, we effectively addressed 369 enquiries.

**Complaints:** Additionally, 18 cases were classified as formal Complaints and thoroughly investigated with the consent of the small businesses involved. These fell within our dispute resolution remit, and out of the 18 investigations, 16 achieved satisfactory outcomes where outstanding payments on disputed invoices were successfully paid. Unfortunately, in the remaining 2 cases, we were unable to secure payment, and the complainants were advised to pursue their recourse through the legal court system.

**Total Monies Recovered:** Over the reporting period of 2022/23, our interventions led to the recovery of £283,458, compared to £205,775 in the previous fiscal year of 2021/22.

## Range of Recovered Payments

In 2022/23, the recovered amounts varied, with the smallest recovery being £445 for a hospitality sector firm and the largest amount reaching £103,432 for a company in business services. These seemingly modest amounts are significant for small businesses, often determining survival instead of facing financial hardship.

## Average Duration for Complaint Investigation

In adherence to our Service Level Agreement, the average duration for investigating complaints was 15 days. Impressively, 91% of formally investigated complaints were resolved within the Service Level Agreement.

## Signposting

Signposting proved effective for many enquiries that we couldn't fully satisfy. In 2022/23, we signposted:

1. Construction complaints (Out of remit): 33%
2. Small business-to-small business disputes (outside our remit): 22%
3. Disputes covered by an alternative regulator
4. Enquiries that were not about payments.

## Top 5 Sectors for Complaints

### 1 Business Services



### 2 Retail



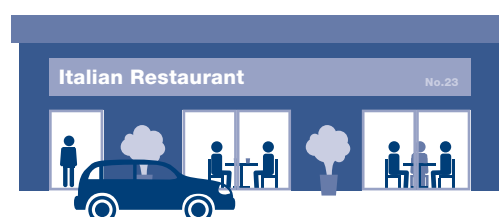
### 3 Healthcare



### 4 Construction



### 5 Hospitality & Leisure

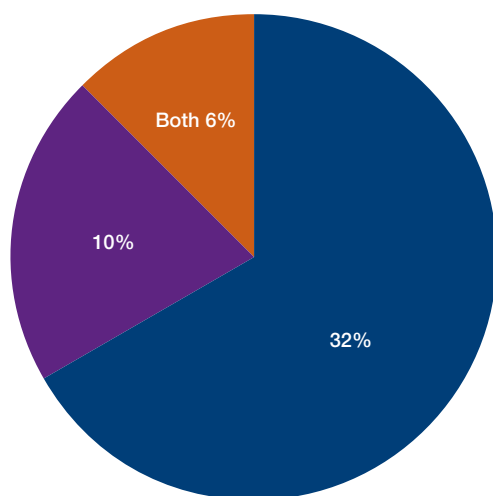


## Geographical Area and Sectors for Complaints & Enquiries:



Complaints & Enquiries Geographical Area (Top 3%)

■ London (7%) ■ Surrey (3%) ■ Berkshire (2%)



Complaints & Enquiries Sectors (Top 3%)

■ Business Services ■ Consultancy & Retail  
■ Construction & Engineering

## Barriers to Success

Challenges include misunderstandings of payment terms, refusal of respondent companies to engage, respondents ceasing trading, and complainants failing to meet contractual obligations.

## Other Work by the Casework Team

Our engagement efforts extend beyond handling complaints and enquiries. Requests from other government departments, Growth Hubs, LEPS, and public partnerships highlight the importance of supporting small businesses at various stages.

## Working with DBT

The SBC collaborates with the Department for Business and Trade, sharing insights, trends, and participating in regular meetings to ensure effective operations.

## Strategic objective 4 - Prompt Payment Code

The voluntary initiative, Prompt Payment Code, saw an increase in signatories to 4,154 in 2022/23. Complaints against Code signatories resulted in the recovery of £244,852.

### **i** Enquiry (30 minutes)

A company missed the deadline to apply for an energy grant from their local council. This was not in the remit of the SBC as it was not a business-to-business payment issue. Signposted to LEP/Growth Hub.

### **i Enquiry (30 minutes)**

A business had been contacted by a legal department on behalf of a liquidator who was seeking interest and compensation in excess of the statutory amounts shown by the SBC interest calculator. The only recourse for the caller was to seek independent legal advice.

### **“ Testimonial**

Thank you for your very quick and helpful response. I am very pleased to report that, less than 48 hours after I initially contacted you (and copied in the business I was chasing for payment), they agreed to pay my invoice and I received payment this morning. It's quite shocking that it took 5 months for them to do this, and that it was only once I had contacted you that they decided to pay me for work done in January! Many thanks for the service you offer to small businesses like my own, much appreciated

Complainant in the Healthcare sector

### **Other work by the Casework Team**

Our engagement work, delivering information and support to other organisations and their advice teams is vital. We have seen the level of requests from other government departments, Growth Hubs, LEPS and other public partnerships requesting collaboration with the SBC almost back to pre-Covid levels. We have received requests to provide content for their websites, training materials and participation in workshops and graduate programmes. This highlights the importance of the SBC working to support and provide guidance to small businesses from start-up for the lifetime of the business, empowering them to grow while avoiding late/non-payment related failure. This important area of work takes up a significant amount of team resources.

### **Working with DBT**

The SBC is accountable to the Secretary of State for Business through our Sponsorship team at DBT. The SBC works with the DBT Payments team and regularly shares feedback and insight with DBT about themes and trends. We also share regular insight reports about the volume and type of complaints and qualitative and quantitative information through regular and ad hoc meetings at all levels.



### Working collaboratively across government to help small business

The SBC regularly engages with government agencies to stay abreast of any potential changes to legislation, policy or administrative processes that could impact small businesses in the UK. We have formed strong relationships with UK government departments and actively contributed to preliminary consultations as policy directions are developed. Through this strategy, we have worked to encourage more small businesses to engage with us.

The SBC also meets quarterly with devolved authorities' single points of contact, who ensure compliance with payment practice in their respective jurisdictions. These relationships mean that authorities in Wales, Northern Ireland and Scotland are working collaboratively with the SBC to promote payment excellence throughout the UK.

### Strategic objective 4 - Prompt Payment Code

The Prompt Payment Code (PPC) is a voluntary initiative that is owned by DBT. Firms commit to paying their suppliers' invoices promptly. Specifically, signatory firms pledge to pay at least 95% of invoices from their suppliers within 60 days. They also commit to paying their small firm suppliers (those with fewer than 50 employees) at least 95% of their invoices within 30 days.

#### The PPC in 2022/23

In the fiscal year 2022/23, a total of 32 complaints were lodged against Code signatories. Our role as administrators of the Code limits our investigation scope to determining if a signatory firm is in breach of its terms. It is not within our purview to actively pursue overdue amounts on behalf

of complainants. Nevertheless, we observed that, following our initiation of investigations into potential breaches by signatories, some complainants did receive overdue payments. During the reporting period, we successfully recovered £244,852.

Additionally, we fielded 159 enquiries related to the Code, addressing various issues such as application processes, joining the Prompt Payment Code (PPC), consequences of signatory breaches, and methods to verify a company's signatory status.

The administrative tasks associated with the PPC typically require no more than 30 minutes for completion. However, meetings with signatories or complainants demand substantial preparation time. Preparing and researching for a signatory meeting can take up to 3 hours, while the meeting itself ranges between 45 and 60 minutes. Subsequent documentation and ongoing actions following meetings can vary from a few hours to several hours spread over an extended period.

The application process involves the following steps:

- Upon receipt, the application is registered on the database.
- The firm undergoes verification with Companies House to confirm turnover and employee numbers.
- Payment performance data is examined to determine if the applicant is sufficiently in scope to report to DBT.
- If the application is completed, the form is accepted, and relevant documents are attached.
- An email confirmation is sent to the successful applicant.
- Details of the new signatory are added to the PPC website.

## Examples of Enquiries from PPC Applicants and Signatories

### **i** Enquiry (10 minutes)

An applicant was looking for information related to prompt payment policies that he could share with his suppliers. They were sent a link to the PPC website with the information.

### **i** Enquiry (40 minutes)

A Code signatory, who had not been meeting the PPC criteria had been put on an action plan to improve their performance. A meeting was called to clarify next steps. No further action was required.



### Self-declaration forms

In October 2022, we introduced an annual Self-Declaration form for Prompt Payment Code (PPC) signatories. This aimed to ensure compliance with the Code. As a result of the outcomes of the project, there have been discussions with the DBT on ways to improve the quality assurance of the Code without having to undertake an annual review of signatories. We all know that a scheme providing suppliers with the assurance that signatories have committed to the Code and are continuing to comply is essential. With such a framework in place, suppliers can have confidence that they will be treated fairly and paid promptly. Discussions with the DBT are aimed at evolving the Code into a more robust and transparent framework that fosters a level playing field for businesses of all sizes. The SBC's continued efforts to improve the Code demonstrates our commitment to empowering small businesses and promoting a culture of ethical payment practice.

### Strategic objective 5 - Value for money

At SBC, we believe in providing value for our users and stakeholders. To achieve this, we continuously focus on managing our resources effectively against three key factors: the cost of inputs, the efficiency of our processes, and the effectiveness of our outcomes. In 2022/23, we placed a strong emphasis on finding the most economical inputs possible, without sacrificing the quality of our interventions. We took a hard look at our financial reporting systems, revamped our procurement processes, and evaluated our suppliers at every opportunity to ensure that we were getting the best value for money. We also refreshed our quarterly Performance Management Information packs. Our goal is

not just to gather information, but to use it to make a real impact and improve our overall effectiveness.

### Financial Objectives

The SBC is a Grant-in-Aid funded body. We spend responsibly within budget and ensure value for money in line with Managing Public Money and other HM Treasury guidance. Our processes are subject to regular review, with suggestions for improvements being considered and approved by the whole SBC team. Our financial controls are delivered through our shared services provider, UKSBS, and through our sponsor department, DBT.

### Finance Summary

In 2022-23 the SBC received from BEIS/DBT Grant-in-Aid funding of £840,608 (2021/22: £946,298).

The SBC incurred net expenditure costs of £732,453 in the year to 31 March 2023. Some 1.2 per cent of our spending has been invested in communications/Marketing (2021/22: 4.9 per cent). The remaining portion of the spend was assigned to staffing, computer software systems to deliver our key statutory aim of managing complaints, enquiries, and dispute resolution work on behalf of small businesses that represents 95% of the overall budget allocated.

Total taxpayers' equity for SBC showed a balance of £51,737 at the end of the year (2021/22: £99,142)

### Impact

At SBC, we believe that our success should be measured not only by the number of complaints and enquiries we receive, but also by the positive outcomes we achieve for businesses. We are proud of the results we have delivered, but we know that to improve

payment culture further, we need to develop a deeper understanding of what success looks like and how to measure outcomes beyond outputs. We need to consider the different levels of impact, from individuals to teams to organisations and the wider business ecosystem, and the various factors that contribute to effectiveness and reach. This requires a more nuanced approach to measuring outcomes and impact. Therefore, once the Statutory Review is concluded, we plan to introduce an impact framework for measuring the impact of our interventions and demonstrating the value we create for our users and stakeholders. We recognise that this will require a shift in accountability and ongoing capacity building and further changes in the development of roles, responsibilities, systems, and processes to serve our broader goals.

### Knowledge Management

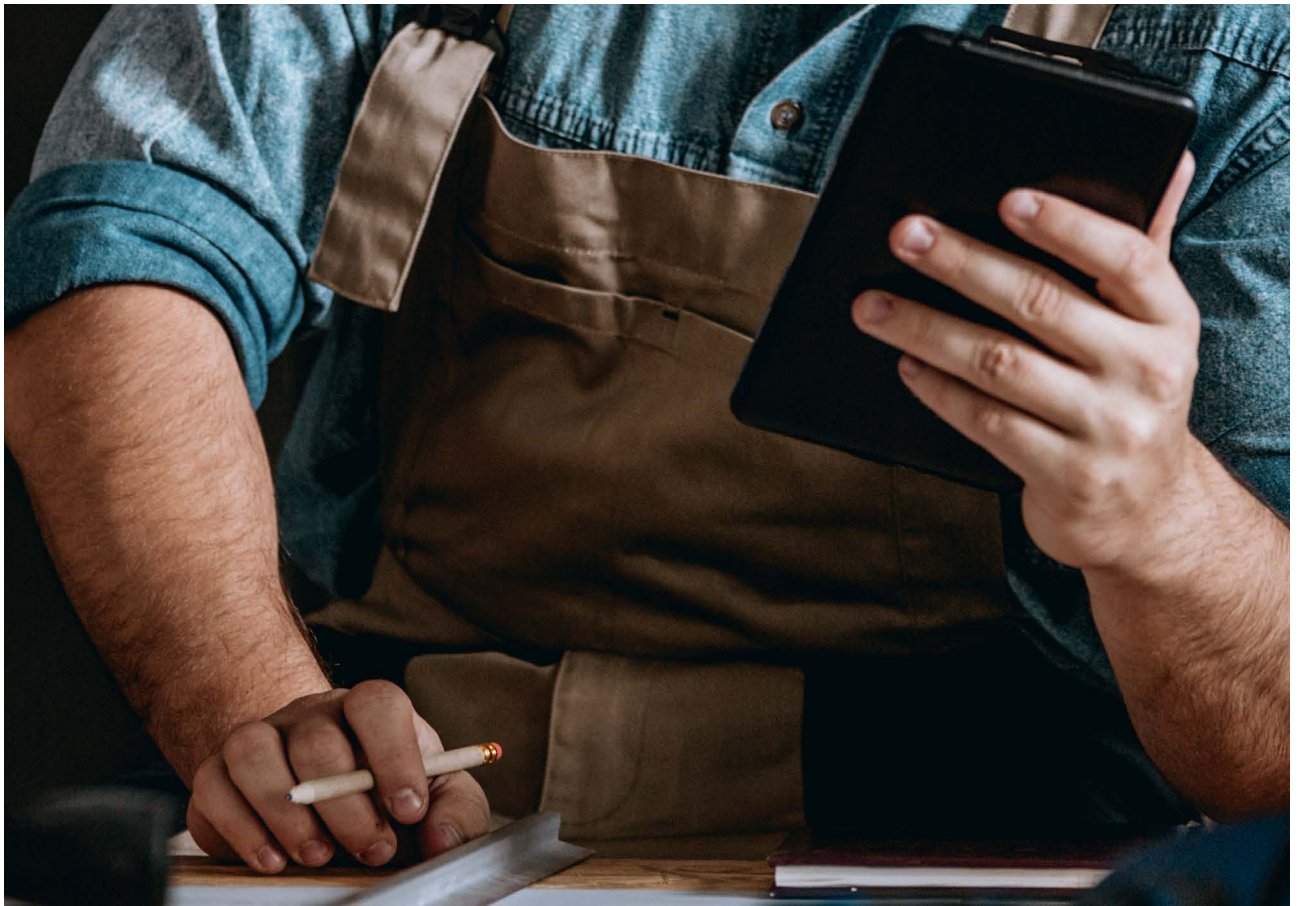
Our focus on operational efficiency places great importance on knowledge management as a vital way in which to deliver an excellent service to our key users and stakeholders. That's why we have introduced a corporate knowledge map and Intranet, which serves as a tool for identifying, organising, and managing our knowledge assets. The corporate knowledge map and Intranet encompasses a variety of knowledge domains, such as business processes, systems, and functional areas. It includes information on the types of knowledge assets within each domain, such as policy documents and best practice. The map will also indicate the location of each asset, the people responsible for that asset, and the level of access required to use that asset. This knowledge will be shared via the Intranet hub for communication, collaboration, and knowledge exchange, delivering substantial benefits to the organisation.



## Risks

The management team of SBC has responsibility of identifying, documenting, and minimising risks associated with the organisation's day-to-day operations and management. Senior managers at SBC regularly monitor all risks, which are reported to the DBT sponsorship team. To enhance the risk management process, we have recently deployed a comprehensive Risk Assurance map. This is a tool that will assist

our team to visualise and prioritise risks across different areas of their operations and includes a matrix that shows the likelihood and impact of risks on the organisation. The matrix is divided into quadrants, focussing on risks and impacts, and is supplemented by a new operational register to document and manage day-to-day activities which can have a significant impact on the organisation's ability to achieve its objectives.



One of the most significant risk challenges faced by SBC in recent years has been managing stakeholder expectations and maintaining a positive reputation in the context of declining complaint numbers. There has been a risk to the continuation of the SBC if the perception is that the service is not being fully utilised. The SBC is aware that, due to its narrow remit, only a small

percentage of small businesses use the SBC to intervene in payment disputes, but we now know that an increasing number of people are using the service via our website and awareness of the SBC has grown significantly. The effectiveness of the SBC has featured as part of the Statutory Review of the organisation.

### Strategic Risks

Risks which could impact on the SBC and force a fundamental change to the current strategy and impacts on the mission. Risks that require pro-active management and co-ordination by SBC, with ARAC support.

#### Our Risk Landscape

##### Current Risks

Risks we are managing now that could stop us achieving our strategic objectives.

##### Emerging Risks

Risks with a future impact from external or internal opportunities or threats. These can be slow moving or have a rapid velocity.

#### What we assess

##### Risk ownership

Each risk has a named owner. We assess likelihood and Impact and attach weight to the effectiveness of our management controls

##### Risk appetite

Risk assessed against our level of appetite and required response

##### Actions

Future actions to further reduce our risk exposure

#### Our Key Risk Categories

We assess our risks against seven key impact categories:

- Raising awareness
- Delivery
- People
- Prompt Payment Code
- Value for Money
- Statutory review

### Business Risk Registers

We currently identify threats and opportunities using a strategic and operational risk register, and Assurance Map.

## SBC's key risks

| Risk                                                                                                                                                                                                                  | Mitigations                                                                                                                                                                                                                             | Risk Status |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>Awareness</b><br>Any drop in contacts, particularly via the website could be seen as falling awareness of the SBC and the support and the information it offers. around fair payment practices                     | SBC will continue to collaborate with key organisations, to raise awareness of its work in highlighting poor payment practice. We will develop self-help tools and improve information to assist with general enquiries.                | ↔           |
| <b>Delivery</b><br>Managing any increase in demand for help with payment disputes through 2023/24.                                                                                                                    | The SBC Business Continuity Plan provides high level assurance in the event of an increase in volumes of complaints/enquiries.                                                                                                          | ↔           |
| <b>People</b><br>Building capability and capacity as a small team with specific skills for a variety of tasks involved in business management, communications, and casework.                                          | Current statutory casework volumes are low. However, team capacity is currently under review, pending the outcome of the Statutory Review.                                                                                              | ↔           |
| <b>Prompt Payment Code (PPC) governance</b><br>The SBC framework document, agreed between DBT (formerly BEIS) Sponsorship Team and the SBC, including the framework to support the PPC, is no longer fit for purpose. | The SBC framework document outlines the functions related to administering the PPC. This Framework Doc will undergo a review after the publication of the Statutory Review.                                                             | ↓           |
| <b>Prompt Payment Code (PPC)</b><br>The SBC wishes to grow the number of signatories to the Code but any perception that Code compliance is not managed robustly enough may impact the credibility of the scheme      | The PPC Self-Declaration Campaign was launched on 12 October 2022. Discussions with the DBT are aimed at evolving the Code into a more robust and transparent framework that fosters a level playing field for businesses of all sizes. | ↑           |

| Risk                                                                                                                                                                                                                                                                                                                                                                                                            | Mitigations                                                                                                                                                                                                                                            | Risk Status                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>Value for Money</b><br>The predicted level of contact with, and complaints to SBC has been far lower than anticipated by the initial Government Impact assessment.                                                                                                                                                                                                                                           | SBC actively promotes its services and raises awareness of poor payment practices through multiple channels. The purpose of the Statutory review is to review both the SBC's performance and effectiveness in carrying out its functions.              |    |
| <b>Statutory Review</b><br>On 3 December 2022, the Government published a call for evidence document to inform the Statutory Review of the Small Business Commissioner, looking into its effectiveness in improving payment practices in commercial transactions. There is also a wider review of Payments and Cash Flow and the efficacy of tools available to the Government for improving payment practices. | SBC is fully committed to participating in the statutory review by refreshing its core business plan to reflect its outcomes. However, future uncertainty regarding the status of SBC will impact on service delivery until full measures are enacted. |   |
| <b>Communication Pressures</b><br>Disruption and change brought on by the Statutory Review increases pressure on the Comms team to deliver key messages associated with the wider review.                                                                                                                                                                                                                       | The SBC communications team will be enhanced by additional resources from the DBT team. All enquiries relating to the future of the PPC and the Data reporting scheme will be referred to DBT.                                                         |  |

### **Evolving Business Plan: future look.**

In 2022, SBC published a three-year plan (2022-2025) setting out our strategic objectives and how we intend to meet them. The plan will be realigned with the results of the Statutory Review, which is anticipated to be published in late 2023. Depending on its recommendations, the SBC will develop a revised business model that is proportionate, flexible, and effective, and matches the needs of small businesses. Consequently, we will evolve our strategic focus over the next two years to achieve the following:

1. Enhance our capability in early dispute resolution and early neutral evaluation techniques to play an increasingly critical role in resolving small business payment disputes through our interventions, signposting, and engagement programs.
2. Empower small business owners to capture information from our website to negotiate confidently using fresh content and digital tools to prevent future disputes.

3. Evaluate the impact of our activities and demonstrate that we are facilitating culture shift, behaviour change, insight dissemination, while providing value for money
4. Encourage technology firms to create online/digital/mobile tools for businesses of all sizes, allowing them to negotiate better payment terms, develop better invoicing and payment processes, resolve disputes without damaging business relationships, and identify small businesses within the supply chain.

The SBC Business Plan outlines how the department will deliver on these broader objectives.

[https://www.smallbusinesscommissioner.gov.uk/corporate\\_reports/office-of-the-small-business-commissioner-business-plan-2022-2025/](https://www.smallbusinesscommissioner.gov.uk/corporate_reports/office-of-the-small-business-commissioner-business-plan-2022-2025/)



## Performance on other measures

We fulfil our role as a Public Sector Information Holder through adherence to the Data Protection and Freedom of Information Acts. Our data policies are compliant with the General Data Protection Regulations (GDPR) which came into force on 25 May 2018. We mandate annual learning for our team members and augment it by promoting good practice in the areas of email security, password protection and the use of cloud collaboration tools. All team members are aware of the General Data Protection Regulation (GDPR) and undergo training every two years. Any security breaches and near-misses are reported to the Business Manager and Head of Operations and Policy Delivery with individual breaches considered and escalated as appropriate depending on their seriousness.

In the period covered by this report the SBC had no data handling breaches or near-misses resulting in a notification to the Information Commissioner's Office (ICO).

### Open & Full Information

#### Freedom of Information

The Freedom of Information Act 2000 gives any individual or organisation the right to request information from public sector organisations. This right of access applies to recorded information held by public authorities. Any person making a written request for information must be informed whether the SBC holds that information and

is supplied with the information. This right is limited only by the procedural conditions and exemptions as set out in legislation. During the reporting period, SBC has responded to 4 Freedom of information requests.

#### Modern Slavery

Through robust policies and procedures, we continue to take steps to ensure that neither slavery nor human trafficking (together, referred to as 'modern slavery') takes place in our organisation or supply chains. As an equal opportunities employer, we are committed to creating and ensuring a non-discriminatory and respectful working environment for our people.

The Office of the Small Business Commissioner recruitment and people management processes are designed to ensure that all prospective employees are legally entitled to work in the UK and to safeguard employees from any abuse or coercion once in our employment. [Our statement is published on our website.](#)

#### Learning & Development During 2022/23

We have used personal supervisory meetings to emphasise the importance of performance management and learning. These quarterly one-to-one discussions empower our people to take ownership of their own learning and development and contribution to the organisation. We have moved away from face-to-face training over the past few years, instead using resources such as Civil Service

Learning and other digital platforms.

### **Sustainability**

The SBC has received formal exemption from reporting sustainability data under the Greening Government Commitments. We employ 9 staff including the Commissioner and occupy office floor space less than 132m which is contractually managed by the Government Property Agency (GPA). At present, the Government Property Agency currently track core metrics on behalf of our office covering the consumption of electricity, water, and waste, which fall within scope of its Annual Sustainability Report. On a broader level, the SBC manages its procurement, travel, and IT services through the assistance of the Department and Business and Trade and does not manage the relative impact of these main targets. Consequently, we have not included coverage of all the full suite of metrics relating to sustainability in our annual report.

### **Anti-corruption and anti-bribery matters**

It is an expectation that all team members complete the counter fraud, bribery, and corruption training through the Civil service Learning Platform. This course is refreshed annually. Additionally, we have made a commitment to update our counter fraud strategy in 2023 to ensure our practices align with wider departmental guidelines.

### **Health and Wellbeing**

We are committed to protecting the health, safety, and wellbeing of everyone who works with us. People across our service are responsible for health and safety, including our property management team, managers, first aiders, fire marshals and our DBT health and safety colleagues, who help raise awareness of health and safety issues and minimise the number of accidents.

### **Flexible and hybrid working**

The SBC embraces and supports hybrid and flexible working and offers its employees maximum choice about how to split the working week between the workplace and home. Through discussion these working arrangements can be adapted to reflect personal circumstances and commitments while continuing to support the needs of the business. This policy is in line with DBT policy with an overall presence of 40- 60% of their working hours in the office as the norm.

### **Sickness absence**

The SBC has overseen an elevation in sickness absence rates over the reporting period. The Average Working Days Lost per staff year in the SBC was 13.75 in the year ended 31 March 2023. The commissioner has taken no sickness absence.

### **Health & Safety**

We continued to engage with our people to raise health and safety awareness and encouraged workplace adjustment assessments to be undertaken. In 2022/23 we:

Documented and ensured that all mandatory and practical health and safety training was completed

Everyone completed relevant TAG-EVAC training and refresher training to ensure suitable evacuation procedures at 23 Stephenson Street in the event of an emergency

Continued to engage with Government Property Agency to ensure health and safety awareness across the organisation is up to date.

No accidents or near-misses were reported during 2022/23.

### **Diversity Equality, diversity, and Inclusion**

We are diverse and inclusive, and as a result we benefit from understanding different perspectives better. This is fundamental to resolving late payment complaints and improving the payment culture. The SBC takes its commitment to equality seriously. Through our Quarterly Insights Report we gather data from a variety of small businesses from different sectors ensuring that we act on evidence from complainants indicating direct or indirect discrimination connected to payment disputes. We also ensure our services and employment

opportunities are fair and accessible to all. This report is an important part of our obligation to keep improving our performance under the Equality Act 2010 and the Public Sector Equality Duty contained within that legislation.



Liz Barclay, Accounting Officer Small Business Commissioner

Date: 28/2/2024



# The Accountability Report

These sections cover our audit arrangements, our Parliamentary accountability and remuneration and staff report. The Corporate Governance Report is also part of the Accountability Report. Our lead Non-Executive Director on the Audit and Risk Assurance Committee (ARAC) has a role in ensuring the organisation is accountable and acts with corporate governance standards.

## The accountability report consists of 3 main parts. These are the:

1. **Corporate governance report**, dealing with the SBC's governance structures and how they support the achievement of the department's objectives.
2. **Remuneration and staff report**, which contains information about senior managers' remuneration and other staff-related disclosures and other employee matters.
3. **Parliamentary accountability and audit report**, which comprises additional disclosures required by Parliament, and is a view on such matters as regularity of expenditure, fees and charges and long-term expenditure trends. It includes the audit certificate and report.

## Non - Executive Director Accountability statement

The SBC launched its services on 20 December 2017 and covers the whole of the UK (England, Scotland, Wales and Northern Ireland). Established under the provisions of the Enterprise Act 2016 ("the Act"), the Small Business Commissioner (SBC) plays an important role in supporting small businesses to resolve their payment disputes with larger businesses, providing information and support, and helping to bring about culture change in private sector payment practices. Created in legislation as a corporation sole, the SBC is classified as a Non-Departmental Public Body (NDPB),

operationally independent of government and a partner organisation of the Department for Business and Trade (DBT).

The Secretary of State for DBT is responsible for the overall policy framework within which the SBC operates and has statutory powers in relation to the SBC. The Secretary of State is ultimately responsible to Parliament for the SBC and will account for its business in Parliament.

The SBC Framework document was drawn up by BEIS (now DBT) with the SBC. This document formally sets out the broad framework within which the SBC operates and the role and responsibilities of the organisation. The document is available to members of the public on the SBC page on GOV.UK. The 2018 Framework Agreement document was revised in October 2021 and signed off by BEIS (now DBT) and the SBC in spring of 2022.

My fellow Non-Executive Director Heidi Rehman, and I, reached the end of our terms on the SBC's advisory Board in January 2023. We leave with the SBC having established robust and effective governance, risk management systems and control processes and, under Liz Barclay's leadership as Commissioner, providing invaluable support to small businesses on late payment while championing the importance of prompt payment, for a thriving economy, with government and across the business community.

Laurence Milsted, 12<sup>th</sup> February 2023

# Corporate Governance Report

## The Accounting Officer's Report

The Small Business Commissioner is the Accounting Officer for the SBC.

The SBC is a corporation sole and is sponsored by the Department for Business and Trade (DBT).

As Accounting Officer, I am responsible for ensuring that the SBC has an appropriate governance structure and systems to ensure I meet my statutory obligations. I am personally responsible for safeguarding public funds for which I have charge, for ensuring propriety and regularity in the handling of public funds, and for day-to-day operations and management of the SBC as set out in Managing Public Money. The SBC governance structure combines efficient decision making with accountability and transparency.

The SBC has an essential role in underpinning confidence in the addressing of late payments by helping to resolve individual disputes, and by sharing insight to prevent unfairness arising. It is funded by DBT. The DBT Sponsorship Team rightly expects that the service operates in a responsible, sustainable way, and considers the needs of small businesses and stakeholders when approving the SBC's strategic direction and reaching key decisions.

For these reasons, the SBC Board takes its duties very seriously. It regularly reviews

information regarding the SBC's services and the progress against its commitments and offers advice and insights accordingly.

To support its decision making, the SBC Board receives regular performance reports from the Head of Operations and Policy Delivery as well as other members of the team covering information about complaint volumes and trends, and stakeholder responses to any formal consultations carried out by the service.

Relevant team members and other colleagues attend SBC Board meetings to answer questions about their respective areas of responsibility. The Board also regularly considers the service's key risks and actions taken to mitigate and manage them. Until recently, the NED Chairing the Audit and Risk Assurance Committee Laurence Milsted met regularly with the Commissioner and our internal auditors for the Government Internal Audit Agency (GIAA) to discuss issues and challenges of mutual interest over the coming years. Pending the outcome of the Statutory Review, and in light of the ending of the terms of Laurence Milsted and Heidy Rehman, Dr Yvonne Gale has been fulfilling the roles of Chair of the Board and of the Audit and Risk Assurance Committee.

# Statement of Accounting Officer's Responsibilities

The Small Business Commissioner is the Accounting Officer of the SBC. The relevant responsibilities of the Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts are set out in Managing Public Money guidance published by the HM Treasury.

The Framework Document states that the Commissioner, as Accounting Officer, is responsible for producing, signing and publishing an annual report and accounts, ensuring that proper records are kept relating to the accounts.

The SBC has prepared accounts for the period from commencement on 20 December 2017 to the year ended 31 March 2023 and will continue to prepare such accounts for subsequent financial years.

In preparing the accounts, the Accounting Officer has complied with the requirements of the Government Financial Reporting Manual and to:

- Observe the Accounts Direction issued by DBT, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards as set out in the Government

Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements

- Prepare the financial statements on a going concern basis and confirm that the Annual Report and Accounts is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounts for the SBC have been prepared on an accruals basis and provide a true and fair view of the financial state of affairs of the SBC and of its income and expenditure, Statement of Financial Position, and cash flows for the financial year to:

- a. Give a true and fair view of the state of affairs of the net resource outturn, changes in taxpayers equity and cash flows for the financial year
- b. Provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.

As the Accounting Officer for the SBC, I confirm that as far as I am aware, there is no relevant information of which the SBC's auditors are unaware. I have taken all steps that I ought to have done to make myself

aware of any relevant audit information and to establish that our auditors are aware of that information.

I take personal responsibility for the Annual Report & Accounts and confirm that I consider the SBC's Annual Report and Accounts to be fair, balanced and understandable.

A handwritten signature in black ink, appearing to read 'Liz Barclay'. The signature is fluid and cursive, with the first name 'Liz' written in a larger, more prominent script than the surname 'Barclay'.

Liz Barclay, 28/2/2024

## The Commissioner's Non-Executive Directors



### **Dr Yvonne Gale, Chair SBC Board**

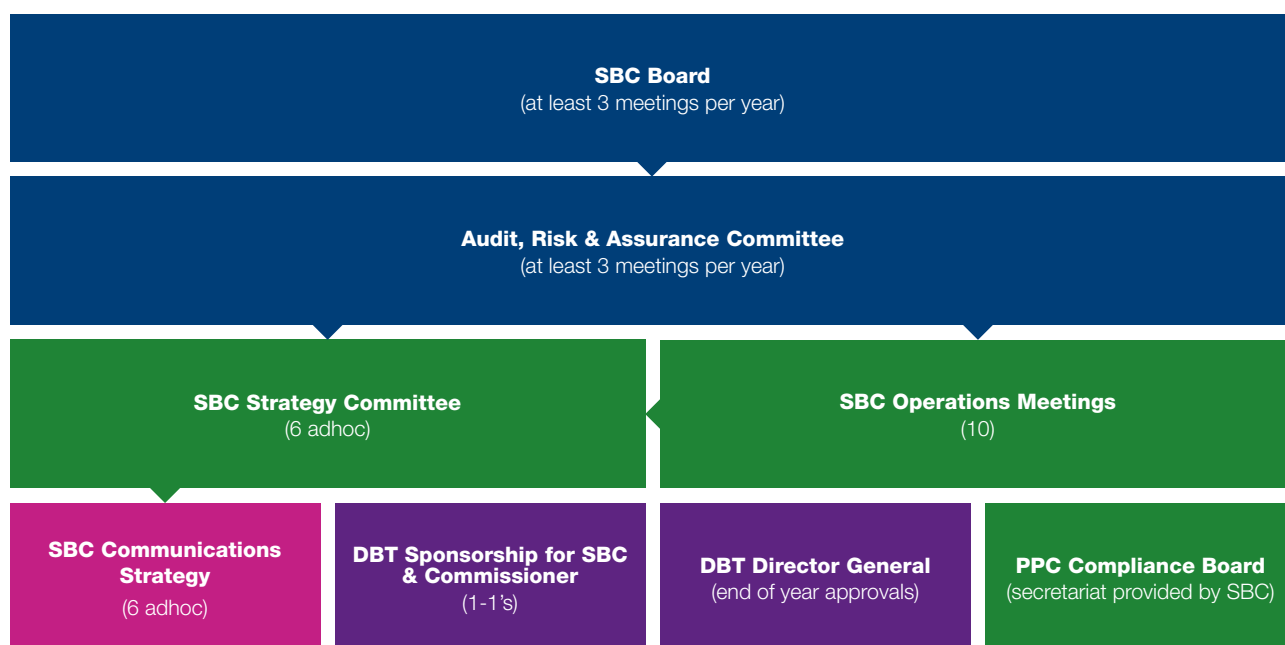
Dr Yvonne Gale was appointed CEO of the business finance specialists, NEL Fund Managers. She has served as a director for several small businesses, focusing on strategy, delivery, and resourcing. Other board appointments include Chair of Shared Interest Society, an ethical finance provider, and Director of the North East Chamber of Commerce. She is a Fellow of the Institute of Chartered Accountants in England & Wales and holds a master's degree and a Doctorate in Business Administration, together with the Institute of Directors' Certificate and Diploma in Company Direction

## Governance Statement

The SBC was launched on 20 December 2017 and covers the whole of the UK (England, Scotland, Wales and Northern Ireland). Established under the provisions of the Enterprise Act 2016 (“the Act”), the Small Business Commissioner plays an important role in supporting small businesses to resolve their payment disputes with larger businesses, providing information and support, and helping to bring about culture change in private sector payment practices. Created in legislation as a corporation sole, the office of the SBC is classified as a Non-Departmental Public Body (NDPB), operationally independent of government and a partner organisation of the DBT.

The Secretary of State for DBT is responsible for the overall policy framework within which the SBC operates and has statutory powers in relation to the organisation.

The SBC Framework Agreement was drawn up by the Department for Business, Energy and Industrial Strategy in consultation with the SBC. This document formally sets out the broad framework within which the SBC will operate and the role and responsibilities of the SBC. The document is available to members of the public on the SBC’s page on Gov.UK. The 2018 Framework Agreement document was revised in October 2021 and signed off by BEIS and the SBC in spring of 2022.



### The Governance Structure

■ Board / Committee with NED's   ■ SBC & PPC meetings   ■ SBC Comms   ■ SBC & DBT meetings

## The Office of the Small Business Commissioner Board

The SBC Board has an advisory role only and ensures that the office receives expert advice on small business late payment issues, and gains insight into doing business in a diverse UK market. Liz Barclay, as Commissioner, is ultimately responsible for decision-making and collective responsibility. Our Board's members provide us with a range of talent that would otherwise not be available to the organisation. They are experienced and understand the commercial challenges that come with running an organisation. Although the Board has no governance authority or statutory responsibilities, it meets as a Board at least three times a year and is consulted on an ad hoc basis as required.

The Board's primary purpose is to assist the SBC in discharging their statutory responsibilities. Members of the SBC team attend meetings as required, to provide work stream updates and the secretariat function for the Board. The Board has a clear remit, objectives, and terms of reference, as well as the expected time commitment, established at the start of members' appointments.

A code of practice is in place for Board members, consistent with the Cabinet Office Code of Conduct for Board Members of Public Bodies, as far as this is relevant and proportionate. The Board receives regular updates from DBT on other relevant bodies/ individuals, including with the Small Business Minister, Cabinet Office, HM Treasury, and other relevant stakeholders and small business organisations. The Non-Executive

Directors (NED's) are appointed in the public interest, not as individual representatives of any group or sector. They are not involved in considering the individual complaints that are brought to us and all Board members are independent.

In January 2023, Heidy Rehman and Laurence Milstead came to the end of their fixed term contracts. New Non-Executive Directors will be appointed to the Board following the publication of the Statutory Review, expected to take place in Autumn 2023. During the intervening period, Yvonne Gale will assume the role of Acting Chair of the ARAC and SBC Board. Her contract was renewed for a further 4 years commencing on 1st November 2023. We will ensure appointments as an equal opportunity employer, in line with the principles of fairness and impartiality. Board appointments are made by the Secretary of State for DBT.

All new Non-Executive Directors will go through an induction programme to introduce them to the SBC service. This includes meeting our staff and executive team, being guided through the way we resolve complaints, familiarisation with our DBT wider support framework, and receiving a directors' handbook of information about the SBC and the service.

- Laurence Milsted 7 January 2019 to 7 January 2023
- Heidy Rehman 7 January 2019 to 7 January 2023

- Yvonne Gale 1 November 2019 to 31 October 2023

### Matters considered by the Board in 2022-23 included the following:

- Operational, corporate performance and Operational delivery
- Strategic vision and risk, including regular review of the organisation's risk appetite.
- Consideration of Financial information and forecasting
- Regular reports on the organisation's Payment and Statutory review
- Approval of the Business Plan
- Consideration of GIAA audit documents
- Analysis and feedback on Management

### Information Packs

- Feedback on Marketing/communications strategy
- Approval of the SBC Annual Report
- Examinations of specific areas of activity identified including measuring impact, effectiveness, and value for money.
- Organisation's approach to case management demand management

The Board met twice during the financial year 2022/23. This table below shows the number of meetings attended by Board members, DBT and SBC team members during the year.



**Liz Barclay**  
Small Business Commissioner  
2/2 Meetings Attended



**Naheed Aziz**  
Head of Operations & Policy Delivery  
2/2 Meetings Attended



**Laurence Milsted**  
Non-Executive Director  
2/2 Meetings Attended



**Jodie Jones**  
Business Manager  
2/2 Meetings Attended



**Heidy Rehman**  
Non-Executive Director  
2/2 Meetings Attended



**Official Representing DBT**  
Department for Business, Energy and Industrial Strategy, Deputy Director  
2/2 Meetings Attended



**Yvonne Gale**  
Non-Executive Director (CHAIR)  
2/2 Meetings Attended



**Official Representing DBT**  
Department for Business, Energy and Industrial Strategy, Head of Prompt Payments Team & SBC Sponsorship  
2/2 Meetings Attended

### The effectiveness of the Board and its committees

Best practice of corporate governance recommends that an effectiveness review of the Board is undertaken every year and that an independent evaluation of Board

effectiveness is undertaken at least every three years. During the reporting period, the Board did not undertake an evaluation, pending the outcome of the Statutory Review, which will determine whether the SBC will have a reclassified Board, with

additional powers and/or functions. This period coincided with the departure of two Non-Executive Directors reducing the likely benefit of undertaking an evaluation over the reporting period. These matters will be reviewed by the Board in 2024.

Each non-executive member of the Board is expected to receive an annual appraisal of their performance, undertaken by the Chair.

The Commissioners appraisal was undertaken at Director level over the reporting period.

### Performance and Data reporting to the Board

There are several quality assurance processes in place for information to be considered by the Board, including:

- Consistent reporting on performance against key SBC performance indicators. This includes consideration of both current and historical information to enable the Board to identify trends over time using quarterly management information packs. These packs provide comprehensive information and data relating to SBC's activities against core targets across our key targets
- The SBC team applies consistent methodologies for collecting and analysing data that are understood by all staff responsible for data input and collection, with clear sign-off processes
- Feedback from the Board regarding the quality and management information provided, and actions undertaken by SBC in response to emerging risks to service delivery



## SBC Audit and Risk Assurance Committee (ARAC)

The Audit and Risk Assurance Committee Chair and the SBC meet regularly to discuss the operation and development of the service. The ARAC Chair ensures that the service has a clear strategy and direction, with effective management for its current and future needs. The Chair provides oversight to ensure the information provided to the SBC Board is of sufficient accuracy and quality, including in terms of the clarity of content and the purpose and action required. The ARAC Chair has an important role in advising on the modelling of the SBC service, culture, and values, and its commitment to diversity and inclusion, as well as acting as an ambassador for the service externally.

The ARAC Chair, the Commissioner and Head of Operations and Policy Delivery set ARAC agendas in advance, ensuring an appropriate balance between strategic matters and operational and risk assurance business. The NAO (National Audit Office) and the GIAA (Government Internal Audit Agency) are also invited to attend the meetings. The Chair updates the Board on the ARAC's activities, and the minutes are also shared.

Until recently, the NED Chairing the Audit and Risk Assurance Committee Laurence Milsted met regularly with the Commissioner and our internal auditors for the Government Internal Audit Agency (GIAA) to discuss issues and challenges of mutual interest. In the light of the ending of the terms of Laurence Milsted and Heidy Rehman, Dr Yvonne Gale

has been fulfilling the roles or Chair of the Board and of the Audit and Risk Assurance Committee. This position will be examined once the statutory review is published, with the aim of assessing the skills needed by the organisation to deliver the commitments of the 3-year business plan.

Meetings were held via video conference throughout and the ARAC received updates from the SBC team on relevant external and internal engagement and on the impact on the service and small businesses, the wellbeing of staff, and on operational resilience.

The SBC Board is satisfied that the combined knowledge and experience of the ARAC members ensures that it can fulfil its responsibilities effectively, during the year, as well as its review of the Annual Report & Accounts and financial forecasting statements.

The committees of the Board fulfil their responsibilities by receiving and considering reports. The key areas considered by the committees are set out below.

### Audit and Risk Assurance Committee (ARAC)

#### Internal audit reports

For the reporting period GIAA provided assurance regarding the adequacy and effectiveness of SBC's Knowledge and

Information Management (KIM). This audit concluded by recording a Moderate level of assurance, stating that the building blocks of an effective KIM framework were in place, although these systems needed refining to reflect the size, maturity, and risk appetite of the SBC.

### **Knowledge and Information Audit Topics covered by the audit:**

- Documented Roles & Responsibilities
- Access to Knowledge and Information Management Policies, Guidance and templates
- Use of SharePoint with access controls over the creation and storage of documents, investigations and cases
- Management of strategic risks
- Provision and monitoring of training.

As an additional advisory piece of work, the GIAA provided support to SBC to develop its approach to risk assurance across the organisation. Although development of this work is continuing, significant progress has been made by the SBC having a functioning Assurance Map in place reflecting both strategic and operational risks. A follow up plan covering 2023-4 was agreed with GIAA and ARAC to focus on the implementation and embedding of audit recommendations arising from the 2022 review.

### **Matters considered by the ARAC in 2022/23 included the following:**

- The Committee discussed the Strategic Risk Register as a regular agenda item in advance of Board meetings.
- Examination of specific areas of activity identified as presenting a potential risk to SBC, including the organisation's approach to performance reporting, recruitment and retention.
- Consideration of performance in the light of competing risks faced by the business.
- Reviewing the plan and findings of the National Audit Office's (NAO) audit of the organisation's resource accounts
- The procurement of new internal audits in order to fulfil the organisation's assurance requirements.
- Consideration of GIAA internal audit reports
- Compliance with the organisation's internal policies, controls and assurance mechanisms.

The SBC team is grateful to the ARAC Chair and committee members for the additional time they give to support our strategic development.



## Audit and Risk Assurance Committee Meetings

The ARAC met twice during the financial year 2022/23. This table shows the number of meetings attended by NEDs and members of

the SBC team, and other stakeholders during the year.

|                                                                                     |                                                                               |                                                                                     |                                                                                                                                                                      |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | <b>Liz Barclay</b><br>Small Business Commissioner<br>2/2 Meetings Attended    |    | <b>Naheed Aziz</b><br>Head of Operations & Policy Delivery<br>2/2 Meetings Attended                                                                                  |
|    | <b>Laurence Milstead</b><br>Non-Executive Director<br>2/2 Meetings Attended   |    | <b>Jodie Jones</b><br>Business Manager<br>1/2 Meetings Attended                                                                                                      |
|  | <b>Heidy Rehman</b><br>Non-Executive Director<br>2/2 Meetings Attended        |  | <b>Official Representing DBT</b><br>Department for Business, Energy and Industrial Strategy, Deputy Director<br>2/2 Meetings Attended                                |
|  | <b>Yvonne Gale</b><br>Non-Executive Director (CHAIR)<br>2/2 Meetings Attended |  | <b>Official Representing DBT</b><br>Department for Business, Energy and Industrial Strategy, Head of Prompt Payments Team & SBC Sponsorship<br>2/2 Meetings Attended |

## Risk management

In 2022-23, the SBC ARAC examined the organisation's risk appetite setting out the amount of risk the organisation was willing to accept in pursuit of several key strategic objectives. The SBC Risk Register is reviewed every quarter by the Head of Operations & Policy and shared with the ARAC committee. To enhance the risk management process, we have recently deployed a Risk Assurance map that spans both strategy and operational risks. We ensure that our risk management strategy applies relevant aspects of best practice in corporate governance.

## Ministerial Directions and Risk

Since the last reporting period, the Government published a call for evidence document to inform the Statutory Review

of the Small Business Commissioner, looking in particular its effectiveness in improving payment practices in commercial transactions. There is also a wider review of Payments and Cashflow and the efficacy of tools available to government for improving payment practices. This represents a newly identified risk requiring mitigation measures. However, there have been no ministerial directions over the reporting period informing the managing of risk and/or practice.

## Governance compliance

The Board monitors compliance with the SBC framework document, which is based on the principles of good governance as detailed in the relevant sections of 'Corporate Governance in Central Departments: Code of Good Practice' (Cabinet Office, HM Treasury, April 2017).

The Audit and Risk Assurance Committee scrutinises compliance with the Governance Framework and reviews the risk management process through its scrutiny of the SBC strategic risk register. The Committee actively seeks additional sources of assurance on the robustness of the governance and risk arrangements including internal audit reports as well as commissioning 'assurance reviews' into specific areas of risk. In 2022-23 the assurance reviews principally covered Knowledge and Information Management governance.

For additional assurance, the Committee also receives management information packs covering financial forecasts and spends. In 2022-23 all aspects of the Framework were complied with, and no departures were noted.

### Internal controls

A risk assurance framework ensures that strategic and operational risks are proactively identified, mitigated, and escalated as required, within the Governance Framework is understood and is adhered to by the appropriate staff, and that assurance systems are in place to monitor compliance. In 2022-23, GIAA was our internal auditor. The internal audits conducted during the year have provided assurance on Knowledge and Information and overall risk management arrangements.

In 2022-23, the NAO audit management report set out the findings from the audit work, including findings from areas of key risk which were actioned by the SBC.

### Register of Interests

Members of the Board are required to complete an annual declaration about their current interests and those of people connected with them, and to confirm that

those interests do not conflict with their position as a Non-Executive Director of the SBC. Any additional conflicts that arise during the year are declared to the SBC Board Chair as soon as possible after they arise or at the next SBC Board or ARAC meeting.

A register of interests is maintained and reviewed by the Business Manager. All staff, including the SBC, are required to update the relevant register on a quarterly basis and the non-Executive directors are also required to declare any new or additional conflicts before each Board meeting. The SBC and the Non-Executive Directors are subject to disclosure rules.

Currently the SBC Non-Executive Directors have no interests which are considered to give rise to any conflict.

### Personal Data Related Incidents

All members of the SBC team are aware of the General Data Protection Regulation (GDPR) and have completed all mandatory training on the Civil Service-Learning platform. There have been no personal data related incidents formally reported to the Information Commissioners Office (ICO) in the reporting year.

### Whistleblowing

It is our intention to support the efficacy of whistleblowing practices and, to give visibility at Board level where required. SBC has a separate policy relating to whistleblowing called "Raising a Concern and whistleblowing" which colleagues are encouraged to read as part of their annual mandatory training. During the reporting period, there has been no case of whistleblowing relating to SBC.

### Funding

The SBC's funding is by way of Grant-in-Aid provided by our sponsor department for the year in question and is voted in our sponsor department's supply estimate and subject to Parliamentary control.

### Fraud, bribery and raising concerns policies.

We have an Anti Bribery and Corruption Policy, with associated response plans in place. This policy, which was refreshed in 2023 is available to staff on the intranet and promoted at induction. Additional advice and training on the anti-fraud and bribery policy is provided through Civil Service Learning. There is an assurance of anonymity and security by offering alternate routes to raise concerns as well as providing professional and independent support as and when necessary. In 2022-23 no action was required under the anti-fraud and bribery policy.

### Gifts and hospitality

SBC staff are required to report the offer or receipt of gifts and hospitality, and we regularly remind them of this requirement. We record the offer or receipt of gifts and any invitations of hospitality in a register for this purpose, whether the offer was accepted or declined.

### Statement by the Commissioner

I have considered the evidence that supports this governance statement, and I am assured that the SBC has systems and controls in place to support the delivery of my statutory purposes.

I have no disclosures of control weaknesses to make for the 2022-23 financial year.

Liz Barclay, Accounting Officer Small Business Commissioner Date:



Liz Barclay, 28/2/2024

## Remuneration & Staff Report

### Remuneration Policy

The remuneration for senior civil servants (SCS) is set by the Prime Minister following independent advice from the Senior Salaries Review Body. The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

The SBC has no remuneration responsibilities. The remuneration of the Commissioner is determined by the Secretary of State for the Department for Business and Trade (DBT) under Part 1 in the Enterprise Act 2016. The Small Business Commissioner is a public appointment, designated as a Statutory Office Holder and is a Corporation Sole. The salary of the Commissioner is set by DBT.

Staff are appointed on terms and conditions determined by the SBC and approved by the Secretary of State. All seconded staff retain their home departments' terms and conditions and remain civil servants. Staff directly appointed by the SBC will be public servants, not civil servants. There are currently no directly appointed staff.

The SBC team has a headcount of 9 members including the Commissioner, as at 31 March 2023, three of whom are currently on loan from other departments and seconded to the SBC. They retain the terms and conditions set by their home departments.

The Commissioner and all members of the SBC team receive a civil service pension.

### 2022/23 Remuneration Figures (subject to audit)

| Single total figure of remuneration (1 April 2022 to 31 March 2023)<br>Small Business Commissioner<br>- Public Appointee | Salary (in 5k bandings)<br>£'000 | Bonus Payments (in 5k bandings)<br>£'000 | Pension Benefits (to the nearest £1000) | Total<br>£'000 |
|--------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------------------------------------|-----------------------------------------|----------------|
| Liz Barclay                                                                                                              | 120-125                          | -                                        | 48,000                                  | 170-175        |

## 2021/2022 Remuneration Figures (subject to audit)

| Single total figure of remuneration (1 April 2021 to 31 March 2022)<br>Small Business Commissioner<br>- Public Appointee | Salary (in 5k bandings)<br>£'000 | Bonus Payments (in 5k bandings)<br>£'000 | Pension Benefits (to the nearest £1000) | Total<br>£'000 |
|--------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------------------------------------|-----------------------------------------|----------------|
| Philip King*                                                                                                             | 40-45                            | -                                        | 12,000                                  | 50-55          |
| Liz Barclay**                                                                                                            | 95-100                           | -                                        | 35,000                                  | 135-140        |

### Note:

- The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to transfers of pension rights. Not all staff receive a pension.
- 'Salary' includes gross salary; overtime, reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowances to the extent that is subject to UK taxation.
- Salary information above excludes employers' national insurance contributions.
- No allowances, bonuses or non-cash benefits in kind have been made to the Commissioner.
- All gifts and hospitality received are recorded in the SBC gifts and hospitality register.
- The Pensions Benefits figure does not represent a cash payment, but is a calculation, provided by the pension administrator, of the estimated value of pension benefits accrued during the year

under the scheme. The Commissioner and all members of the SBC team receive a civil servant pension and other pension commitment are met by the home departments of the secondees to the SBC

- \*Phillip King left the SBC on 30th June 2021. His full year equivalent salary in 2021/22 was £120-125k.
- \*\*Liz Barclay joined as Commissioner on 23rd of June 2021. Her full year equivalent salary in 2021/22 amounted to £120-125k.

## Pension Entitlements

Pension benefits are provided through the Civil Service pension arrangements. There are five schemes: classic; premium; classic plus; nuvos; and alpha. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The Commissioner is in the alpha civil service

pension scheme.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation.

Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

The accrued pension quoted is the pension the member is entitled to receive when they reach the higher of 65 or State Pension Age for members of alpha.

## The Cash Equivalent Transfer Value (CETV)

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the

benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued because of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

## Pension Entitlements

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

## Senior management pension benefits (subject to audit)

| Senior Management Pension | Accrued pension at age 65 at 31 March 23 and related lump sum<br>£'000 | Real increase in pension and related lump sum at pension age | CETV at 31 March 23<br>£'000 | CETV at 31 March 22<br>£'000 | Real increase in CETV total<br>£'000 |
|---------------------------|------------------------------------------------------------------------|--------------------------------------------------------------|------------------------------|------------------------------|--------------------------------------|
| Liz Barclay               | 5-10                                                                   | 2.5-5                                                        | 0                            | 0                            | -9*                                  |

\*Notes: Taking account of inflation, the CETV funded by the employer has decreased in real terms.

## Fair pay disclosures (subject to audit)

All reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The median represents the remuneration of that staff member that lies in the middle of the linear distribution of the total staff, excluding the

highest-paid director.

All posts (excluding the commissioner) were filled via loans from Other Government Departments (OGD's). The Commissioner, as a public appointment, was paid by the sponsor department.

The banded remuneration of the highest-paid director in the SBC in the financial year 2022 – 2023 was £120-125K. Total remuneration includes salary, non-consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions, or the CETV of pensions.

| Fair pay                                                                        | For the period ended 31 March 2023<br>(in 5k bandings) | For the period ended 31 March 2022<br>(in 5k bandings) |
|---------------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------|
| Band of highest paid directors' total remuneration (£'000)<br>(bands of £5,000) | 120-125                                                | 120-125                                                |
| Staff Median total (£)                                                          | 33,842                                                 | 33,570                                                 |
| Remuneration ratio                                                              | 3.6                                                    | 3.6                                                    |

| 25th percentile Pay ratio 2022-23 | 75th Percentile Pay Ratio 2022-23 | 25th percentile Pay ratio 2021-22 | 75th Percentile Pay Ratio 2021-22 |
|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| 30,244                            | 37,549                            | **                                | **                                |
| 4.0                               | 3.2                               | **                                | **                                |

\*\*Due to the small number of staff working for the SBC and the potential to identify individuals' salaries from the information, disclosure was not provided in 2021-2 in

respect of 25th percentile pay ratio and 75th percentile pay ratio. This extended to salary component ratio data comparables and prior year comparatives

## Salary Component Ratio

| 25th Quartile | 50th Quartile | 75th Quartile |
|---------------|---------------|---------------|
| 2022/23       | 2022/23       | 2022/23       |
| 29532         | 32948         | 37512         |
| 4.1           | 3.7           | 3.2           |

- In 2022-23, 0 (2021-22: 0) employees received remuneration in excess of the highest-paid director.
- The median pay ratio is shared and endorsed by DBT and is consistent with the pay, reward and progression policies for SBC's employees taken as a whole.
- No remuneration range has been provided as this would disclose the salaries of individuals who work in the Commissioner's team.
- Total remuneration includes salary non-consolidated performance-related pay and benefits-in kind. It does not include employers pension contributions, severance payments and the cash equivalent value of pensions.
- There was no change from the previous financial year in respect of the highest paid director.
- In terms of median pay ratio scales for SBC employees, there was a 1%

change from the previous financial year. Comparative figures have been provided.

- For 2022-23, no allowances, bonuses or benefits in kind have been made to the Small Business Commissioner.

## Staff Report

There are no Senior Civil Servants employed by the SBC. The Small Business Commissioner is a public appointment, remunerated via the Department for Business and Trade payroll.

## Staff Turnover

The figures for the period April 2022 to March 2023 indicate 13% turnover (including secondments and loans).

## Staff numbers and costs (subject to audit)

Staff costs represent the majority of our spend. We have continued to build flexibility into our projected costs to ensure we can

scale up and down in response to changing demand and any need for (temporary) additional resources.

From April 2022 to March 2023 the cost of staff remuneration was:

| Staff remuneration    | Year ended 31<br>March 2023<br>£<br>Permanent<br>Staff | Year ended 31<br>March 2023<br>£<br>Other Staff | Year ended 31<br>March 2023<br>£<br>Total | Year ended 31<br>March 2022<br>Restated<br>£<br>Total |
|-----------------------|--------------------------------------------------------|-------------------------------------------------|-------------------------------------------|-------------------------------------------------------|
| Wages and salaries    | 123,012                                                | 262,841                                         | 385,853                                   | 483,338                                               |
| Social security costs | 16,529                                                 | 27,192                                          | 43,721                                    | 43,890                                                |
| Other pension costs   | 37,273                                                 | 55,881                                          | 93,154                                    | 103,671                                               |
| <b>Total</b>          | <b>176,814</b>                                         | <b>345,914</b>                                  | <b>522,728</b>                            | <b>630,899</b>                                        |

## 2021/22 Staff Costs:

| Staff costs           | Permanent Staff | Other Staff     | Total           |
|-----------------------|-----------------|-----------------|-----------------|
| *Wages and salaries   | £135,482        | £347,856        | £483,338        |
| Social security costs | £18,391         | £25,499         | £43,890         |
| Pension               | £39,534         | £64,137         | £103,671        |
| <b>Total</b>          | <b>£193,407</b> | <b>£437,492</b> | <b>£630,899</b> |

### Notes:

- There have been no severance payments in the year.
- SBC does not operate a defined benefit pension scheme but pays into various Civil Service pension schemes on behalf of its employees in line with each of those scheme's rules.
- The SBC is not VAT registered.

- The cost of the Office of the Small Business Commissioner is disclosed under 'Public Appointment'. The costs of all other staff working in the SBC are disclosed under 'other staff'

## Staff Composition

The SBC employed on average 9 full-time equivalent staff over the reporting period.

## The composition of the Office of the Small Business Commissioner as at 31 March 2023:

| Staff composition       | Female | Male |
|-------------------------|--------|------|
| The Commissioner        | 1      | 0    |
| Non-Executive Directors | 1      | 0    |
| SBC Staff               | 5      | 3    |

### Sickness absence data

During the reporting period, the Commissioner has taken no sickness absence, and all loan staff sick absences were recorded directly with their home departments. The Average Working Days Lost per staff year in the SBC was 13 days in the year ended 31 March 2023.

### Staff policies for disabled persons

The DBT workplace adjustment policy helps us ensure that employees can perform to their best ability and thrive in their careers. The framework sets out how we will identify challenges and barriers faced by people with disabilities or long-term health conditions, whether these are physical or mental, and make adjustments, including changes to people's working environment or working patterns, or providing IT equipment or software. Learning from the adjustments we make helps us to be a better employer and create a more inclusive workplace.

All team members are encouraged to complete DSE assessments and as a result equipment has been ordered to aid them in their jobs.

The Civil Service is committed to the employment and career development of

disabled people. Under the guaranteed interview scheme, we guarantee to interview anyone with a disability whose disability meets the criteria set within the Equality Act 2010 (subject to meeting the minimum criteria for the job vacancy).

### Other employee matters

The launch of the Statutory Review has added a new layer of complexity and uncertainty regarding the specific resources needed to meet business requirements. Depending on the outcome of the Review, we are keen to recruit to key roles due to the need to keep headcount stable across the team. The SBC still faces the problem of not being able to offer permanent posts, limiting the overall pool of applicants for each role. This could result in difficulties with promptly appointing candidates in a timely manner, which could affect operations.

### Employee consultation and career development

There have been no employment issues, which include employee consultation and/or participation and recruitment practice within the reporting period.

There are three recognised trade unions in DBT – the FDA, PCS and Prospect and we work closely with DBT HR on issues relating

to staff pay, terms and working conditions to ensure that colleagues are updated.

To support ongoing career development and suitable training, staff take part in development reviews which are an important part of the employee development plans and form a key part of a strategic approach to motivating and promoting employees. We use Performance Development Reviews (PDRs) to support performance management to benefit employees' careers as they evolve in the organisation.

The SBC ensures all staff have completed their mandatory training on:

- Security and Data Protection
- Health and Safety
- Civil Service expectations
- Counter Fraud Bribery and Corruption
- GDPR
- Whistleblowing Policy
- Secure Remote Working Policy
- Tag-Evac
- DBT Security Essentials
- Knowledge and Information Basics

## Expenditure on consultancy

There was no expenditure on consultancy. (2021-22: None)

## Benefits in Kind

No benefits in kind were paid this year. (2021- 22: None)

## Expenditure on Temporary Staff

The SBC has not employed any temporary staff during the 2022/23 financial year. (2021-22: None)

## Off – Payroll engagements

The tables below show the number of off-payroll engagements above £245 per day. Off-payroll engagements refer to workers paid off-payroll, without deducting tax and national insurance at source, typically contractors.

The SBC appointed 2 Non-Executive Directors (NED's) 2 in January 2019 and 1 in October 2019 to attend the SBC Board and the Audit, Risk and Assurance Board meetings. All 3 NED's were appointed for a 4-year term. 2 of the NED's appointments ended in January 2023.\*

Table 1: Highly paid off-payroll worker engagements as at 31 March 2023, earning £245 per day or greater

### Off Payroll engagements

|                                               |   |
|-----------------------------------------------|---|
| No. of existing engagements as of 31 Mar 2023 | 2 |
| Of which, no. that existed for:               |   |
| less than 1 year                              | 1 |
| between 1 and 2 years                         | 0 |
| between 2 and 3 years                         | 0 |

**Off Payroll engagements**

|                       |   |
|-----------------------|---|
| between 3 and 4 years | 1 |
| 4 or more years       | 0 |

Table 2: All highly paid off-payroll workers engaged at any point during the year ended 31 March 2023, earning £245 per day or greater

**Off Payroll engagements**

|                                                                                    |   |
|------------------------------------------------------------------------------------|---|
| No. of temporary off-payroll workers engaged during the year ended 31 March 2023   | 4 |
| Of which, no. that existed for:                                                    |   |
| Not subject to off-payroll legislation                                             | 0 |
| Subject to off-payroll legislation and determined as in-scope of IR35              | 0 |
| Subject to off-payroll legislation and determined as out-of-scope of IR35          | 4 |
| No. of engagements reassessed for compliance or assurance purposes during the year | 0 |
| Of which: No. of engagements that saw a change to IR35 status following review     | 0 |

An additional highly paid off-payroll worker was in place at the end of March 2023 as an Independent Panel Member to oversee with

the appointment of 2 new Non-Executive directors which is ongoing and likely to conclude by early 2024.

Table 3: For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023

**Off Payroll engagements**

|                                                                                                                                                                                         |   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year                                          | 3 |
| Total no. of individuals on payroll and off-payroll that have been deemed "board members and/or senior officials with significant financial responsibility", during the financial year. | 3 |

\*\*The number of highly paid off-payroll worker engagements has not been reported in previous Annual Reports

### Exit packages (subject to audit)

No exit packages were paid during the reporting period. (2021-22: None)

## Non-Executive Directors (subject to audit)

| Non-Executive Board Members | Number of Board Meetings (Annually) | Actual Fee Paid in Year (Nearest £100) |
|-----------------------------|-------------------------------------|----------------------------------------|
| Laurence Milsted            | 4                                   | £1,400                                 |
| Heidy Rehman                | 4                                   | £1,400                                 |
| Yvonne Gale                 | 5*                                  | £1,750                                 |

\*Yvonne Gale is also the Chair for the Prompt Payment Code Compliance Board

Either party may terminate the contract for any reason before the expiry of the fixed period by providing not less than 6 months' notice in writing.

The Secretary of State may terminate the Non-Executive Directors' appointments immediately, by giving notice in writing, if they are in breach of any of the terms of their appointment or are unfit, or from any cause whatsoever have become unfit, to discharge duties as a member. or if they:

- Have been absent from meetings of the Board for a period longer than six consecutive months without permission of the Board
- Have been declared bankrupt or made an agreement with their creditors (or, in Scotland, have had their estate sequestrated or have made a trust deed for their creditors or have and had accepted a composition contract)
- Are incapacitated by physical or mental illness
- Are otherwise unable or unfit to discharge

the functions of the office.

The Non-Executive Directors will receive no notice if their appointment is terminated early by mutual consent. No compensation is payable to non-executive directors for early termination of their contract.

## Responsibilities for accounting to Parliament

The accountabilities include:

- Producing, signing and publishing an annual report and accounts detailing the activities of the Office of Small Business Commissioner, and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared, audited, and presented in accordance with any directions issued by the Secretary of State
- Preparing and signing a Governance Statement covering corporate governance, risk management and assurance of any local responsibilities, for inclusion in the annual report and accounts

- Ensuring that effective procedures for handling complaints about the SBC are established and published.
- Acting in accordance with the terms of this document, including the list of government- wide corporate guidance instructions listed at Appendix 1, Managing Public Money and other instructions and guidance issued from time to time by our sponsor department, the Treasury and the Cabinet Office
- Giving evidence, normally with the Principal Accounting Officer, when called before the Public Accounts Committee (PAC) on the Commissioner's stewardship of public funds.

## Auditors

### National Audit Office (NAO)

The NAO has direct access to the SBC Chair to discuss financial reporting matters and is

invited to all audit committee meetings. Our Annual Report and Accounts are subject to audit by the Comptroller and Auditor General, Head of the NAO.

### Government Internal Audit Agency (GIAA)

Over the reporting period, the SBC collaborated with GIAA to leverage their expertise in Knowledge Management. The GIAA Audit Annual Report Audit opinion published its final report in March 2023 covering its two main engagements. One assurance audit (Knowledge and Information Management), and an advisory review (SBC Assurance Mapping); the latter supporting the Office of the Small Business Commissioner to map its assurance arrangements. The SBC cleared all actions arising from the audit and the proposals have culminated in the introduction of an operational risk register along with a new Risk Assurance Map. To reduce silo working,



further work is now underway in the team to develop a comprehensive Knowledge Map containing all key information required by the organisation. This area of work will be revisited by the GIAA in Q4 2023/4.

### **Government Functional standards**

To ensure our compliance with Government Functional Standards, we have adopted an incremental approach in rolling out key standards. This approach is proportionate and based on feedback from the DBT sponsorship team. In the initial stage, we focused on specific areas to establish a stable foundation for assurance and risk management. Our first priority was to concentrate on GovS( 013) and the development of a response plan for potential instances of fraud, bribery, and corruption. This required a comprehensive review of local policies and a calibration of our approach in alignment with operational and strategic registers. These standards and policies have since been incorporated into our core working procedures.

As we progress through our three-year business plan, we will continue to add further standards and associated guidance. Throughout this process, we will ensure that our approach is consistently applied in proportion to the risk and value of each activity. Furthermore, it will be seamlessly integrated into the organisation's overall assurance framework.

### **Regularity of Expenditure – Losses (subject to audit)**

There were no losses in the reporting period. (2021-22: None)

### **Regularity of Expenditure – Special payments and severance (subject to audit)**

There were no special payments in the

reporting period. (2021-22: None)

### **Regularity of Expenditure – Gifts (subject to audit)**

Gifts and hospitality are recorded in the Small Business Commissioner's Gifts & Hospitality register. A total of 16 instances of hospitality were provided during the reporting period. (2021-22: None)

### **Fees and Charges (subject to audit)**

The SBC does not have any fees or charges. (2021-22: None)

### **Remote Contingent Liabilities (subject to audit)**

SBC has no remote contingent liabilities for the reporting period (2021-22: £39,883).

# Financial Statements

For the year ending 31 March 2023



# Independent Auditor's Report of the Comptroller and Auditor General to the Houses of Parliament

## Opinion on financial statements

I have audited the financial statements of the Small Business Commissioner for the year ended 31 March 2023.

The financial statements comprise the Small Business Commissioner's

- Statement of Financial Position as at 31 March 2023;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Small Business Commissioner's affairs as at 31 March 2023 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with UK adopted International Accounting Standards.

## Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to

the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the Small Business Commissioner in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Small Business Commissioner's use of the going concern basis of accounting in the preparation of the

financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Small Business Commissioner's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the Small Business Commissioner is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

### Other Information

The other information comprises the information included in the Annual Report, but does not include the financial statements nor my auditor's report. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or

otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### Opinion on other matters

In my opinion the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with HM Treasury's Government Financial Reporting Manual.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury's Government Financial Reporting Manual; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

### Matters on which I report by exception

In the light of the knowledge and understanding of the Small Business Commissioner and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report and the Accountability Report.

I have nothing to report in respect of the following matters which I report to you if, in

my opinion:

- Adequate accounting records have not been kept by the Small Business Commissioner or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

### **Responsibilities of the Accounting Officer for the financial statements**

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Small Business Commissioner from whom the

auditor determines it necessary to obtain audit evidence;

- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;
- ensuring that the financial statements give a true and fair view and are prepared in accordance with UK adopted International Accounting Standards;
- ensuring that the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with HM Treasury's Government Financial Reporting Manual; and
- assessing the Small Business Commissioner's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Small Business Commissioner will not continue to be provided in the future.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit and report on the financial statements in accordance with applicable law and International Standards on Auditing (ISAs) (UK).

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error

and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud**

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

### **Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud**

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the Small Business Commissioner's accounting policies.
- inquired of management, the Government Internal Audit Agency and those charged with governance, including obtaining and reviewing supporting documentation relating to the Small Business Commissioner's policies and procedures on:
  - > identifying, evaluating and complying with laws and regulations;
  - > detecting and responding to the risks of fraud; and
  - > the internal controls established to mitigate risks related to fraud or non-

compliance with laws and regulations including the Small Business Commissioner's controls relating to the Small Business Commissioner's compliance with the Enterprise Act 2016 and Managing Public Money;

- inquired of management, the Government Internal Audit Agency and those charged with governance whether:
  - > they were aware of any instances of non-compliance with laws and regulations;
  - > they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Small Business Commissioner for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals and unusual transactions. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I obtained an understanding of the Small Business Commissioner's framework of authority and other legal and regulatory frameworks in which the Small Business Commissioner operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Small Business Commissioner. The key laws and regulations I considered in this context included the Enterprise Act 2016, Managing

Public Money and employment law.

### Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and the Audit and Risk Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports; and
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

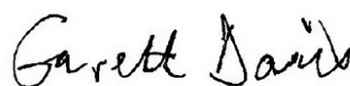
I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my report.

### Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.



Gareth Davies, Comptroller and Auditor General

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

28 February 2024

# Financial Statements for the year ended 31 March 2023

## Statement of Comprehensive Net Expenditure

For the year ended 31 March 2023

|                                       | Note | Year ended 31 March<br>2023<br>£ | Year ended 31 March<br>2022 Restated<br>£ |
|---------------------------------------|------|----------------------------------|-------------------------------------------|
| <b>Operating Expenditure</b>          |      |                                  |                                           |
| Staff costs                           | 2    | 522,728                          | 630,899                                   |
| Other expenditure                     | 3    | 208,603                          | 271,276                                   |
| <b>Total</b>                          |      | <b>731,332</b>                   | <b>902,176</b>                            |
| <b>Net operating expenditure</b>      |      | <b>731,332</b>                   | <b>902,176</b>                            |
| Finance Charges                       | 4    | 1,121                            | 1,464                                     |
| <b>Net Expenditure for the period</b> |      | <b>732,453</b>                   | <b>903,640</b>                            |

The prior year figures have been restated. For more details see note 15 of the Accounts.

The notes on pages 76-85 form part of these financial statements. There was no other comprehensive expenditure.

## Statement of Financial Position

As at 31 March 2023

|                                              | Note | Year ended 31 March<br>2023<br>£ | Year ended 31 March<br>2022 Restated<br>£ |
|----------------------------------------------|------|----------------------------------|-------------------------------------------|
| <b>Non-current assets</b>                    |      |                                  |                                           |
| Right of use assets                          | 5    | 113,475                          | 122,407                                   |
| Intangible assets                            | 6    | 54,544                           | 77,274                                    |
| <b>Total non-current assets</b>              |      | <b>168,019</b>                   | <b>199,681</b>                            |
| <b>Current Assets</b>                        |      |                                  |                                           |
| Cash and cash equivalent                     | 7    | 77,685                           | 73,935                                    |
| Trade and other receivables                  | 8    | 18,202                           | 6,220                                     |
| <b>Total current assets</b>                  |      | <b>95,887</b>                    | <b>80,155</b>                             |
| <b>Non current liabilities</b>               |      |                                  |                                           |
| Right of use lease liabilities               | 5    | (104,981)                        | (113,538)                                 |
| <b>Total non current liabilities</b>         |      | <b>(104,981)</b>                 | <b>(113,538)</b>                          |
| <b>Current liabilities</b>                   |      |                                  |                                           |
| Payables and other liabilities               | 9    | (98,631)                         | (256,959)                                 |
| Rights of use lease liabilities              | 5    | (8,557)                          | (8,480)                                   |
| <b>Total current liabilities</b>             |      | <b>(107,188)</b>                 | <b>(265,439)</b>                          |
| <b>Total assets less current liabilities</b> |      | <b>156,718</b>                   | <b>14,397</b>                             |
| <b>Total assets less total liabilities</b>   |      | <b>51,737</b>                    | <b>(99,142)</b>                           |
| <b>Taxpayers equity</b>                      |      |                                  |                                           |
| <b>General reserve</b>                       |      | <b>51,737</b>                    | <b>(99,142)</b>                           |

The prior year figures have been restated.  
For details see note 15 of the Accounts.

The notes on pages 76-85 form part of these financial statements.

The financial statements on pages 72-75 were approved by the Small Business Commissioner.



Liz Barclay, Small Business Commissioner

28/2/2024

## Statement of Cash Flows

For the year ended 31 March 2023

|                                                             | Note              | As at 31 March 2023<br>£ | As at 31 March 2022<br>Restated<br>£ |
|-------------------------------------------------------------|-------------------|--------------------------|--------------------------------------|
| <b>Cash flows from operating activities</b>                 |                   |                          |                                      |
| Net operating expenditure                                   | SoCNE, Note 2 & 3 | (731,332)                | (902,176)                            |
| Adjustments for non cash expenditure                        |                   | 31,662                   | 21,437                               |
| Increase/(decrease) in payables                             | 9                 | (115,605)                | 33,691                               |
| (Increase)/decrease in prepayments                          |                   | (11,982)                 | 15,438                               |
| <b>Net cash (outflow)/inflow from operating activities</b>  |                   | <b>(827,257)</b>         | <b>(831,610)</b>                     |
| <b>Cash flows from financing activities</b>                 |                   |                          |                                      |
| Bank charges                                                | SoCNE             | 0                        | (300)                                |
| Grant in aid                                                | SoCiTE            | 840,607                  | 946,298                              |
| Payment of lease liabilities                                |                   | (8,480)                  | (7,084)                              |
| Interest element of lease liabilities                       |                   | (1,121)                  | 0                                    |
| <b>Cash flows from investing activities</b>                 |                   |                          |                                      |
| Purchase of intangibles                                     |                   | 0                        | (86,460)                             |
| <b>Net (decrease)/increase in cash and cash equivalents</b> |                   | <b>3,750</b>             | <b>20,844</b>                        |
| <b>Cash and Cash equivalents at the end of the period</b>   |                   | <b>73,935</b>            | <b>53,091</b>                        |
| <b>Cash and Cash equivalents at the end of the period</b>   |                   | <b>77,685</b>            | <b>73,935</b>                        |

The prior year figures have been restated.  
For more details see note 15 of the Accounts

\*\*Interest of £1,164 was included in the lease payment of £7,084 in 2021-22

\*Bank charges of £300 are included in net operating expenditure in 2022-23

The notes on pages 76-85 form part of these financial statements.

## Statement of Changes in Taxpayers Equity

For the year ended 31 March 2023

|                                 | Note  | 31 March 2022 Restated<br>£ |
|---------------------------------|-------|-----------------------------|
| <b>Balance at 1 April 2021</b>  |       | <b>(141,800)</b>            |
| Net expenditure for the year    | SoCNE | (903,640)                   |
| Grant in aid from BEIS paid     |       | 946,298                     |
| <b>Balance at 31 March 2022</b> |       | <b>(99,142)</b>             |
| Net expenditure for the year    | SoCNE | (732,453)                   |
| Grant in aid from BEIS paid     |       | 840,608                     |
| Prior year corrections          |       | 42,724                      |
| <b>Balance at 31 March 2023</b> |       | <b>51,737</b>               |

The prior year figures have been restated.  
For more details see note 15 of the Accounts

The notes on pages 76-85 form part of these financial statements.

# Notes to the Accounts

## 1. Statement of accounting policies

The Office of the Small Business Commissioner (SBC) is an independent public body set up by government under the Enterprise Act 2016. The organisation is classified as an executive non-departmental public body (NDPB) of the Department for Business and Trade (DBT). The SBC was launched on 20 December 2017 and these accounts are prepared for the year from 1 April 2022 to 31 March 2023.

The office is registered at Office of the Small Business Commissioner, 23 Stephenson Street, Birmingham, B2 4BH.

The principal activity of the SBC is to tackle late payment and unfavourable payment practices in the private sector.

### 1.1 Basis of accounting

These financial statements have been prepared on an accruals basis in accordance with direction from the Secretary of State for DBT and the 2022-23 Government Financial Reporting Manual (FReM). The accounting policies contained in the FReM apply International Financial Reporting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of SBC for the purpose of giving a true and

fair view has been selected. The particular policies adopted by the SBC are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

On 7th February 2023, the prime minister announced a major machinery of government change which redistributed the activities of several existing government departments, including BEIS, and created three new departments, the Department for Business and Trade, the Department for Digital, Science, Innovation and Technology, and the Department for Energy Security and Net Zero. The Office of the Small Business Commissioner has been designated to Department of Business and trade with accounting officer responsibilities formally transferred from 1st April 2023.

The Annual Accounts have been prepared as directed by the Secretary of State for DBT and certified by the Comptroller and Auditor General, as agreed with the Comptroller and Auditor General.

### 1.2 Accounting Convention

These accounts have been prepared on the accruals basis. The Accounts Direction issued by DBT provides that SBC is required to prepare and publish a report describing what the Commissioner has done during the reporting period. The Commissioner must send a copy to the Secretary of State, and it must be laid before Parliament.

### 1.3 Going Concern

SBC has approval from the Secretary of State for grant in aid for 2023-24 that fully considers budgeted expenditure. In turn, we will receive grant in aid for 2023-24 to fund our activities. It has been accordingly considered appropriate to adopt a going concern basis for the preparation of these financial statements.

There were no material uncertainties identified in the going concern status of SBC. We have considered the impact of any changes to the Enterprise Act 2016 on our ability to continue as a going concern. It is believed that any changes would not impact on our objectives and the way we operate, although it may impact the banner under which we operate. An extension to the remit of the SBC under the legislation, and likely increase in operating activity, would require additional funding from SBC and believe this funding would be provided.

### 1.4 Applicable accounting standards issued but not yet adopted

IFRS 17 'Insurance Contracts' replaces IFRS 4 'Insurance Contracts', which requires reporters to identify insurance contracts, and for those contracts recognise an insurance contract liability. The insurance contract liability is calculated as the present value of future insurance cashflows (the fulfilment cash flows) plus a subsequent risk adjustment. The IASB announced the deferral of IFRS 17 until 1 January 2023 and the implementation timetable in the public sector is being extended to at least 1 April 2025. SBC do not believe the standard will impact the financial statements.

### 1.5 New accounting standards adopted in the year and FReM changes

No new accounting standards have been

adopted in these financial statements and SBC is not impacted by any other changes to the FReM.

### 1.6 Grant in aid

Grant in aid is paid to SBC on an annual basis to cover the net cash revenue and capital requirements in the year. Grant in aid is utilised in the settlement of its statutory and other obligations and is credited to the general reserve in the year in which it is received because it is regarded as a contribution from a controlling party which gives rise to a financial interest in SBC.

### 1.7 Expenditure & Staff Costs

All expenditure is recognised on an accruals basis. Staff costs are recognised as expenses when SBC becomes entitled to relevant benefits, including the cost of any untaken leave entitlement.

### 1.8 Financial Instruments

The only financial instruments held by SBC other than the lease liabilities are cash balances and trade payables. Financial instruments are initially measured at fair value and classified subsequently as held at amortised cost.

### Financial assets

SBC holds financial assets, which comprise of current balances with banks, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

### Financial Liabilities

SBC holds financial liabilities, which comprise of trade payables. Trade payables are obligations to pay for goods or services that have been acquired from suppliers in the

ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less. The carrying value of the items in the above table is assumed to approximate the fair value due to their short-term nature.

### 1.9 Intangible Assets

Expenditure on intangible assets consists of the SBC's website and is capitalised where the cost is £2,000 or more and has a useful life of more than one year.

Intangible assets are reviewed annually for impairment and are carried at historic cost less amortisation.

The website is amortised on a straight-line basis over a period of 4 years.

The SBC website is essential to provide support for the 3-year business plan, with a primary focus on handling complaints and enquires. It not only enhances the visibility and credibility of our core service and extends our reach with small businesses but also serves as a central hub, offering vital resources and updates, for managing payment disputes between businesses.

### 1.10 General Reserve

SBC accounts for accumulated surplus or deficit in the general reserve.

### 1.11 VAT

SBC is not VAT registered, nor is part of the wider DBT VAT group therefore no VAT will be recoverable.

### 1.12 Leases

SBC recognises assets and liabilities for all leases in the Statement of Financial Position (SoFP) in accordance with IFRS 16, with exemption given to low value leases and short term leases, i.e. those with lease terms

of less than 12 months. The adoption of the standard results in the recognition of a right-of-use asset, representing a right to use the underlying leased asset and a lease liability representing an obligation to make lease payments.

## I. Scope and classification

SBC exercises judgement in determining whether a contract is or contains a lease and whether the contract conveys the right to control the use of an identified asset in exchange for consideration. In making this judgement, the SBC assesses whether the contract, in substance, grants the SBC the right to direct the use of the identified asset and allows SBC to receive substantially all of the economic benefits associated with the use of the identified asset for the lease term.

## II. Recognition

At inception of a contract, the SBC assesses whether the contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time (lease term) in exchange for consideration.

Where the contract has or contains a lease, the SBC recognises a right-of-use asset and a lease liability at the commencement date. The right-of-use asset is depreciated over the lease term. A corresponding lease liability is recognised equal to the present value of future lease payments. SBC measures the lease liability at the present value of the lease payments that are not paid at that lease. SBC applied the HM Treasury discount rate of 0.91% which was the HMT discount rate at the time of entering into the lease, which is permitted by the FReM where interest rates implicit in the lease cannot be readily determined.

### III. Subsequent measurement

The lease liability is remeasured to reflect changes in the lease payments.

The amount of remeasurement of the lease liability is recognised as an adjustment to the right of use asset, where there is a balance on the right of use asset.

## 2. Staff Costs

The cost of staff remuneration was:

|                              | Year ended 31<br>March 2023 | Year ended 31<br>March 2023 | Year ended 31<br>March 2023 | Year Ended 31<br>March 2022<br>Restated |
|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------------------|
|                              | Permenant<br>Staff<br>£     | Other Staff<br>£            | Total<br>£                  | Total<br>£                              |
| <b>Wages and salaries</b>    | 123,012                     | 262,841                     | 385,853                     | <b>483,338</b>                          |
| <b>Social security costs</b> | 16,529                      | 27,192                      | 43,721                      | <b>43,890</b>                           |
| <b>Other Pension costs</b>   | 37,273                      | 55,881                      | 93,154                      | <b>103,671</b>                          |
| <b>Total</b>                 | <b>176,814</b>              | <b>345,914</b>              | <b>522,728</b>              | <b>630,899</b>                          |

There have been no severance payments in the year.

SBC does not operate a defined benefit pension scheme but pays into various Civil Service pension schemes on behalf of its employees in line with each of those

scheme's rules.

For further information on staff costs and numbers, please see the Accountability Report.

## 3. Other Expenditure

|                                    | Year ended 31 March<br>2023<br>£ | Restated: year ending<br>March 2022<br>£ |
|------------------------------------|----------------------------------|------------------------------------------|
| Marketing (previously Advertising) | 9,336                            | 29,725                                   |
| Allowances                         | 1,085                            | 10,121                                   |
| Audit                              | 47,800                           | 46,356                                   |
| Accomodation costs                 | 31,899                           | 72,898                                   |
| Computer equipment and software    | 69,677                           | 41,557                                   |

|                                    | Year ended 31 March<br>2023<br>£ | Restated: year ending<br>March 2022<br>£ |
|------------------------------------|----------------------------------|------------------------------------------|
| General expenses                   | 4,299                            | 20,339                                   |
| Legal and professional             | 6,837                            | 9,850                                    |
| Travel and subsistence             | 5,709                            | 767                                      |
| Bank charges                       | 300                              | 0                                        |
| Short term lease costs             | 0                                | 18,226                                   |
| <b>Other operating expenditure</b> | <b>176,941</b>                   | <b>249,839</b>                           |
| <b>Depreciation</b>                |                                  |                                          |
| Right of use assets (leases)       | 8,932                            | 5,531                                    |
| <b>Amortisation</b>                |                                  |                                          |
| Amortisation of intangible assets  | 22,730                           | 15,906                                   |
| <b>Total other expenditure</b>     | <b>208,603</b>                   | <b>271,276</b>                           |

Included in Audit above is £27,700 (2021-22: £28,200) which relates to the audit of SBC's accounts.

The remaining amount of £20,100 (2021-22: £18,156) relates to other audit services not performed by SBC's auditor

#### 4. Finance cost

|                                            | Year ended 31 March<br>2023<br>£ | Year ended 31 March<br>2022<br>£ |
|--------------------------------------------|----------------------------------|----------------------------------|
| Bank charges                               | 0                                | 300                              |
| Unwinding of discount on lease liabilities | 1,121                            | 1,164                            |
| <b>Total finance expense</b>               | <b>1,121</b>                     | <b>1,464</b>                     |

\*Bank charges of £300 in 2022/23 are included in note 3 – Other expenditure

## 5. Leases

### I. Right-of-use asset

| <b>Cost of Valuation</b>               | <b>£</b>       |
|----------------------------------------|----------------|
| At 1 April 2022                        | <b>127,938</b> |
| <b>Additions</b>                       |                |
| At 31 March 2023                       | 127,938        |
| <b>Depreciation</b>                    |                |
| At 1 April 2022                        | 5,531          |
| Charged in year                        | <b>8,932</b>   |
| <b>At 31 March 2023</b>                | 14,463         |
| <b>Net book value at 31 March 2023</b> | <b>113,475</b> |
| <b>Net book value at 31 March 2022</b> | <b>122,407</b> |

The right-of-use asset relates to a 14.3 year lease, entered into on 18 August 2021, with the Government Property Agency, for office

space for SBC at 23 Stephenson Street, Birmingham

### II. Lease liabilities

| <b>Buildings</b>                          | <b>As at 31 March 2023<br/>£</b> | <b>As at 31 March 2022<br/>£</b> |
|-------------------------------------------|----------------------------------|----------------------------------|
| Within one year                           | 9,600                            | 9,600                            |
| Within 2 to 5 years                       | 38,401                           | 38,401                           |
| Over 5 years                              | 72,822                           | 82,421                           |
|                                           | 120,824                          | 130,423                          |
| Less interest element                     | (7,285)                          | (8,405)                          |
| <b>Total present value of obligations</b> | <b>113,538</b>                   | <b>122,018</b>                   |
| <b>Current</b>                            | <b>8,557</b>                     | <b>8,480</b>                     |
| <b>Non-Current</b>                        | <b>104,981</b>                   | <b>113,538</b>                   |

Short term leases expenses for the period were £nil (2021-22: £18,226) as shown in note 3.

## 6. Intangible Assets

| Cost or Valuation                      | Website<br>£  |
|----------------------------------------|---------------|
| At 1 April 2022 (restated)             | 96,540        |
| Additions                              | 0             |
| Reclassification                       | 0             |
| <b>At 31 March 2023</b>                | <b>96,540</b> |
| <b>Amortisation</b>                    |               |
| At 1 April 2022 (restated)             | 19,266        |
| Charged in year                        | 22,730        |
| Reclassification                       | 0             |
| <b>At 31 March 2023</b>                | <b>41,996</b> |
| <b>Net book value at 31 March 2023</b> | <b>54,544</b> |
| <b>Net book value at 31 March 2022</b> | <b>77,274</b> |

| Cost or Valuation                      | Website<br>£  |
|----------------------------------------|---------------|
| At 1 April 2021                        | 30,080        |
| Additions                              | 86,460        |
| Reclassification (restated)            | (20,000)      |
| <b>At 31 March 2022</b>                | <b>96,540</b> |
| <b>Amortisation</b>                    |               |
| At 1 April 2021                        | 23,360        |
| Charged in year                        | 15,906        |
| Reclassification (restated)            | (20,000)      |
| <b>At 31 March 2022</b>                | <b>19,266</b> |
| <b>Net book value at 31 March 2022</b> | <b>77,274</b> |
| <b>Net book value at 31 March 2021</b> | <b>6,720</b>  |

## 7. Cash and cash equivalents

|                                                | £             |
|------------------------------------------------|---------------|
| Balance at 1 April 2022                        | 73,935        |
| Net change in cash and cash equivalent balance | 3,750         |
| <b>Balance at 31 March 2023</b>                | <b>77,685</b> |
| <b>The following balances were held at:</b>    |               |
| Government banking service                     | 77,685        |
| <b>Balance at 31 March 2023</b>                | <b>77,685</b> |

## 8. Trade and other receivables

| Amounts falling due within one year | As at 31 March 2023<br>£ | As at 31 March 2022<br>£ |
|-------------------------------------|--------------------------|--------------------------|
| Prepayments                         | 18,202                   | 6,220                    |
| <b>Total</b>                        | <b>18,202</b>            | <b>6,220</b>             |

## 9. Trade Payables and other liabilities

Amounts falling due within one year

|                        | As at 31 March 2023<br>£ | As at 31 March 2022<br>(restated)<br>£ |
|------------------------|--------------------------|----------------------------------------|
| Trade & other payables | 68,336                   | 157,336                                |
| Accruals               | 30,296                   | 99,623                                 |
| <b>Total</b>           | <b>98,632</b>            | <b>256,959</b>                         |

## 10. Other Financial Commitments

|                        | As at 31 March 2023<br>£ | As at 31 March 2022<br>£ |
|------------------------|--------------------------|--------------------------|
| Website provider costs | 16,726                   | 17,137                   |
| <b>Total</b>           | <b>16,726</b>            | <b>17,137</b>            |

Other financial commitments are payable between April 2023 and March 2024, the prior year commitment was due between April 2022 and March 2023.

## 11. Financial Instruments

As the cash requirements of SBC is met through DBT, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body. The SBC financial instruments relate to cash, trade & other payables and trade & other receivables and therefore SBC is exposed to little credit, liquidity or market risk.

## 12. Contingent assets and liabilities

There are no contingent assets or liabilities to report.

## 13. Related party transactions

SBC is a non-departmental public body sponsored by the Department of Business and Trade. DBT is regarded as a related party. During the year, SBC has had material transactions with the Department, comprising Grant in aid receipts reported in the Statement of Changes in Taxpayers Equity.

SBC had no material transactions with other government departments and other central government bodies.

No board member, key manager or other related parties has undertaken any material transactions with SBC during the year, except for remuneration paid for their services. Remuneration to senior civil servants (SCS) staff is included within the remuneration report.

## 14. Events after the reporting date and Accounting Office declaration

These financial statements were authorised for issue on the date the Audit Report was signed by the Comptroller and Auditor General.

There are no post-balance sheet events to report.

In accordance with the requirements of IAS 10 'Events After the Reporting Period', post-Statement of Financial Position events are considered up to the date on which Accounts are authorised for issue. There are no post-Statement of Financial Position events between the balance sheet date and this date.

## 15. Prior Period Restatement

During the financial year 2022-23 costs that related to prior year (2021-22) were included in the 2022-23 financial statements. These have been removed from 2022-23 financial statements. Additionally, the gross amounts disclosed for non-current assets incorrectly

included cost (£20k) as well accumulated depreciation (£20k) in respect of an asset that had been removed from the fixed asset register at 31 March 2021. The restatement only affected the in-year and year-end

balances for 2021-22 and the 1 April 2021 balances were unaffected.

The effect of the restatements on prior year is summarised below.

| <b>Income and Expenditure</b>                   | <b>2021-22</b> |
|-------------------------------------------------|----------------|
| Increase in staff costs                         | 3,259          |
| Increase in other operating expenditure         | 39,465         |
| <b>Increase in net expenditure</b>              | <b>42,724</b>  |
| <b>Statement of financial position</b>          |                |
| <b>Non current assets</b>                       |                |
| Cost reclassification                           | (20,000)       |
| Amortisation reclassification                   | 20,000         |
| <b>Increase in Trade and other Payables</b>     | <b>42,724</b>  |
| <b>Decrease in Taxpayers equity for 2021-22</b> | <b>42,724</b>  |

# Glossary

Glossary and Annexes



## Complaints Handling Scheme

Small businesses can complain to the Office of the Small Businesses Commissioner about payment problems they are encountering concerning their larger business customers, making non-binding recommendations on how the parties should resolve their disputes.

## Larger Business (Medium or Large Business)

Larger business means a business that is not a small business. A larger business will therefore have 50 or more employees and will encompass both medium and large businesses as defined by the Companies Act 2006. The full definition of a larger business in relation to the Small Business Commissioner complaints handling service can be found in The Enterprise Act 2016.

## Small Business

For the purpose of determining who is in remit of the Small Business Commissioner complaints handling scheme, a small business is a business which has fewer than 50 employees. The full definition of a small business in relation to those in remit of the Small Business Commissioner complaints handling service can be found in The Small Business Commissioner (Remit and Scheme) Regulations 2017.

## Prompt Payment Code

The Prompt Payment Code (PPC) is a voluntary code of practice for businesses, administered by the Office of the Small Business Commissioner (SBC) on behalf of DBT. It was established in December 2008 and sets standards for payment practices between organisations of any size and their suppliers.



# Annex A: SBC Engagement

## 1 April 2022 – 31 March 2023

### Network Regular meetings

- ACCA England, Scotland, Wales and Northern Ireland
- Chambers Wales Southeast, Southwest and Midlands
- FSB England, Scotland, Wales, and Northern Ireland
- CBI England, Scotland, Wales
- UK Finance
- Andy Street's Economic Insights Group
- Cardiff Business School
- The major and challenger banks
- Institute of Internal Auditors
- ICAEW
- EY
- Small Business Britain
- Good Business Pays
- Financial Ombudsman Service
- Birmingham Leaders Network
- Business Support Helpline
- Freelancer Club
- Underpinned
- FinTech's in the procurement and payments sectors
- Construction Sector bodies such as CICV Scotland and FIS
- Money Advice Liaison Group
- Unizo – part of the Belgian Economic Trade Mission
- Late Payments Research lead at

University of Toronto

- Enterprise Nation
- IPSE
- Forum of Private Business
- Your Business Community
- Family business Association
- Family Business Network
- Scottish Enterprise
- Scottish Family Business Association
- Make UK

### SBC Meetings

- UK Small Business Minister
- Welsh Government Minister for the Economy
- Small Business Minister Scotland
- Crown Commercial Representative for Small Businesses Martin Traynor
- ACCA England, Scotland, Wales and Northern Ireland
- Chambers Wales Southeast, South West and Midlands
- FSB England, Scotland, Wales and Northern Ireland
- CBI England, Scotland, Wales
- No 10 Business Unit

### Press and Media Coverage

[Public Procurement – Prompt Payment in the Supply Chain: SPPN 2/2022](#)

[Scotsman](#)[Daily Business](#)[The Times](#)[Scottish Business News](#)[Daily Business](#)[The Times](#)[Barclays](#)[Public Sector Executive](#)[Startup magazine: the Cereal Entrepreneur](#)[Infromi](#)[Business Link](#)[UK Tech News](#)[London loves Business](#)[Business Live](#)[Scottish Housing News](#)[Punchline Gloucester](#)[Insider](#)[Newsletter](#)[Business Link East Midlands](#)[Business Matters](#)[The Times](#)[SME Magazine](#)[East Anglia Daily Times](#)[ICAEW Insights](#)[This is Money](#)[Smallbusiness.co.uk](#)[The Times](#)[Smallbusiness.co.uk](#)

## GB News

Throughout July – August the Commissioner had a fortnightly guest spot on the GB NEWS, ‘On the Money’ with Liam Halligan’ show. Links to shows:

<https://www.youtube.com/watch?v=Cw1xIV8JPn8><https://www.youtube.com/watch?v=MU-LEuaFFPw>[https://www.youtube.com/watch?v=MUCVF5\\_OEEg](https://www.youtube.com/watch?v=MUCVF5_OEEg)<https://www.youtube.com/watch?v=LywPglUTFT0>

## Speaking engagements/webinars included

BSI

MACH 2022

[Freelancer Club](#)

Local Government Procurement Expo

Essex County Council

North & Western Lancashire Chamber of Commerce: Women Mean Business

ERC (UK)

[FSB First Voice Podcast](#)

Fix FM Radio

CBI/NatWest Report Launch

[Business News Wales Podcast](#)[Saltare podcast](#)[Barclays Business Health Pledge](#)[Companies House](#)

[FT panel discussion](#)

FSB South Wales Conference 2022

MSDUK Conference

The Banking Revolution

Great British Entrepreneur Awards

Night Club Launch - London Design Festival

International Network for Delivery of  
Regulation

Forum of Private Business

AFW Roundtable

Accounts Payable Association Conference

British Business Awards

ACCA Wales roundtable

AAT (Association of Accounting Technicians)  
Future Finance Conference

MALG (Money Advice Liaison Group)

WMCA (West Midlands Combined Authority)

Business Breakfast hosted by Jane Hunt

PEP Finance

Pay UK

Lloyd's Banking Group roundtable

Asian Trader Awards

Xero

Buckingham Palace, Small Business  
Reception

York Business Festival

Enterprise NI

Family Business Association

Chartered Trading Standards Institute Awards

NEN Conference

Mastercard

Accounting WEB Live Expo

Small Business Saturday

TSB Prompt Payment Parliamentary event

Business Gateway

CICM credit awards



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