



TOBY PERKINS MP
Member of Parliament for Chesterfield

House of Commons
Westminster
SW1A 0AA



Rt Hon Dr Vince Cable MP
Secretary of State
Department for BIS
1 Victoria Street
London
SW1H 0ET

1 April 2014

Dear Secretary of State,

Late Payments U-Turn

On 8 November 2012, the Backbench Business Committee hosted a very positive debate in the House of Commons on the Prompt Payment Code. There was agreement across the whole House that strong action was required to tackle this pernicious anti-business practice.

Coinciding with the Debate, your Business Minister Michael Fallon wrote to the FTSE 350, and said:

"Too many of our biggest companies are ignoring the Prompt Payment Code. My message to them is clear – make prompt payment a priority or face the consequences of being named."

Five months later a list of FTSE 350 companies who had and had not signed up to the code appeared on the Prompt Payment Code website run by the Institute of Credit Management. No further action seems to have been taken in the year that has followed.

Labour's Shadow Secretary for Business, Chuka Umunna has made tackling the pernicious anti-business practice of late payment a key priority.

He has identified late payments as one of the key strands of "blue tape" where small businesses are held back by more established larger companies.

I was therefore shocked to read on *The Times* website this week that another of your ministerial team, Matthew Hancock, is u-turning on this commitment and has "ruled out" naming and shaming persistent late payers.

Toby Perkins, Labour Member of Parliament for Chesterfield

www.tobyperkins.org.uk ☎ 0207 219 2320 📧 toby.perkins.mp@parliament.uk



I was equally alarmed that such an important policy change was seemingly briefed to journalists and not made in the House.

Can you explain why the government position on this issue has apparently changed?

Further, can you explain why you did not think it was appropriate to announce to the House a policy that goes against the previous stated position of your department?

Previous debates in the House on this issue have been well attended and provoked interested from across the political divide. I think you should therefore also consider making a clear statement on this issue in the Chamber.

I look forward to hearing from you soon.

With best wishes,

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Toby Perkins'.

Toby Perkins MP
Labour Member of Parliament for Chesterfield
Shadow Small Business Minister