House of Commons

Business, Energy and Industrial Strategy Committee

Oral evidence: Small businesses and productivity, HC 807

Wednesday 25 April 2018

Ordered by the House of Commons to be published on 25 April 2018.

Watch the meeting

Members present: Rachel Reeves (Chair); Drew Hendry; Stephen Kerr; Peter Kyle; Albert Owen; Mark Pawsey; Antoinette Sandbach; Anna Turley.

Questions 1 - 55

Witness

I: Paul Uppal, Small Business Commissioner.

HOUSE OF COMMONS

Examination of witness

Witness: Paul Uppal.

Q1 **Chair:** Thank you very much, Paul, for coming in to see us this morning. As you know, we are conducting an inquiry into small businesses and you are our first witness to give evidence in public. We are really pleased to have you in front of us.

There are a number of questions that we want to get through. As you know, questions start in the House at 11.30 and members are keen to get in for those and take their seats. Can I start by asking you to explain your role, how long you have been doing it, how many people you have working for you, whom you report to, just some of those basics, so we have an idea of what your responsibilities are?

Paul Uppal: Sure, absolutely. Thank you very much for the opportunity to come along today. We were set up by the Enterprise Act 2016. Currently we have a staff of eight people, me included, so we are a small team, with a budget of just over £1.3 million. We have been live since Christmas of last year, but we are still in the implementation stage, so we are not operationally independent as yet. These are very much baby steps, as it were. The remit is specifically around the issue of late payment for small businesses. The remit we have is the relationship from business to business, and that is small businesses to large businesses. What is our definition of a small business? It is 50 employees or less.

We have a very, very specific remit in the cases that we can take forward. It is around the issue of whether there are any legal issues involved. It has to be within a 12-month period, certainly beyond April 2017. Fundamentally, it is about how we can take that issue forward on an anonymous basis. There is nothing we could do that should materially damage the business. We also help with dispute resolution. That is a big part of the remit, and I very much see it as part of the Office of the Small Business Commissioner and how it takes things forward. Finally, we signpost as well, which dovetails a bit with the dispute resolution. Personally, I see us as a trusted body for small business to go to.

Q2 **Chair:** Who do you report to? How are you appointed? Since you have been in the role, what would you say are your biggest successes that you are most proud of?

Paul Uppal: We report to BEIS. We are a partner or sister organisation, however you want to define it, of BEIS, but we are independent. I am very focused on that, and I am very happy to speak my mind, as you will probably find out over the next 45 minutes. We are set up through the normal public panel process of being interviewed.

You specifically asked about our successes. There are a couple that I will highlight. They have both asked to remain anonymous, which is an issue I am sure we will talk about later on today. That is very pertinent to us as a body and how we take things forward. We had a business-to-business relationship where we managed to expedite a payment of £20,000 for a small business. Without going into too much detail—I have to be very careful on this—they realised the larger business was part of the Prompt Payment Code. That was politely pointed out to the large business, as was the fact that the small business had contacted the Small Business Commissioner. It helped to expedite the process. The small business probably would have got there in the end, but we were a conduit for making that process a darn sight quicker. Very recently, a small florist approached us, and we have managed to help it expedite a payment of over £10,000.

There are a couple of issues there, but, if I can just expand on one of them, it seems an obvious point to make at this juncture. We have so many businesses that approach us but are absolutely terrified to put their head above the parapet. I am not embellishing this. I was thinking about whether I should highlight this, this morning on the train down. I very acutely remember a woman sitting in front of me, and not only was she terrified of naming the business; she was shaking as she spoke to me.

This is a huge issue, not just in terms of the financial impact of the business, although there is a productivity issue closely linked to this. In terms of the individuals, the way it affects their mental health, their relationships, how they operate from the perspective of growing, is absolutely huge. I cannot, because I respect their confidence, disclose these individuals. They have been very, very clear on that.

Q3 **Stephen Kerr:** We have been talking to small businesses, and some of the stories, as you have said, are quite horrific. They do not have the resources; they do not have the staff to deal with some of these issues. Can you just talk us through what your office would do to help a small business? What process would you follow in a situation such as that of the lady you described?

Paul Uppal: She came to us because—and this was something I particularly wanted—we operate a helpline service, so people can ring us up. Predominantly, they will come through our website. I think we have had since Christmas about 10,000 hits or so, so people will do that initial prep. Within the website, there are various hurdles you need to go through, which are those issues I highlighted initially: is it within scope; is it within timescale? Our remit is, if I am very candid, very tight. There are various other organisations. For example, if it was a supermarket issue that came under the Groceries Code Adjudicator, we would have to signpost there, and the same for the Pubs Code Adjudicator. There are various other bodies as well. I am not going to bore you by listing them all, but we have to verify that we are not treading on anybody else's toes. If it meets all those criteria, we can take up their case. Our judgments are non-binding.

Q4 **Stephen Kerr:** What does "take up their case" mean, though? What would that involve? What support would you give?

Paul Uppal: For me, as a commissioner, that means picking up the phone and speaking to a human being. That is very much our style, and that is the style I have asked the staff to follow. That primarily came because of a conversation I had with Mark Brennan, who was the Australian Small Business Commissioner. A big part of the role is building trust. I have gone to large business and said, "Look, we are not here to blindside you. We are here to help, to see if we can expedite this process. If there is a problem here, if something is going wrong in the process, we want to help from that perspective". The candid answer to your question is this: initially, we will pick up the phone and we will speak to them.

Q5 **Stephen Kerr:** You speak to the small business. You get the information. You then represent the small business.

Paul Uppal: Well, we get involved on the basis that we have been approached by a small business. If they want to put their head above the parapet, that is fine; they very rarely will. In fact, they never do. We take it on, on an anonymous basis, and say, "Look, we have an issue with a business that has complained to us", and then progress it from there.

Q6 **Stephen Kerr:** At what level do you start talking to the larger business?

Paul Uppal: It depends. Sometimes you can end up talking to somebody in the finance department. If it is me, I want to go and speak to the CEO.

Q7 **Stephen Kerr:** Has that happened?

Paul Uppal: We have had an issue where I have spoken to an individual, yes, and my tone is this: "We would like to politely point out that there seems to be an issue here. Can you help?" Ultimately, our main power is to name and shame.

Q8 **Stephen Kerr:** In the interests of time—and this is very interesting; I wish we had longer—I have a series of quick questions on data points. You mentioned 10,000 hits, so have 10,000 individual users come to the website?

Paul Uppal: In terms of individual users who have come to the website, talking off the top of my head, the figure is something like 3,700, or it may be a little less than that. We have had repeat visits from them, but it is about 3,700. "Internet sessions" I think is the term that was highlighted.

Q9 **Stephen Kerr:** That is not hits. Maybe you can clarify that in a submission.

Paul Uppal: I can come back on that to clarify.

Q10 **Stephen Kerr:** How many actual complaints have you received?

Paul Uppal: If I take the period from January to now, we have received 45 actual complaints—or 48, sorry. We have had three more subsequently. There are two live issues that we are currently dealing with.

Q11 **Stephen Kerr:** There were 48 cases and only two are live. How many different companies have been complained about?

Paul Uppal: The number of companies that have been complained about, I think, is 19. I do not have the figure here in front of me.

Q12 **Stephen Kerr:** It is 19.

Paul Uppal: I think so. I think it is 19, but, again, I can clarify that.

Q13 **Stephen Kerr:** If you could, please clarify that.

Paul Uppal: I can.

Q14 **Stephen Kerr:** How many of the cases have had mediation that you have been a party to?

Paul Uppal: I have been involved in pretty much all of them, because we have a regular meeting, and we discuss where issues are and how we are progressing. We meet as a team and everybody is involved, but I am involved as well.

Q15 **Stephen Kerr:** How many of these cases, these 19, have had a positive outcome? Well, there are 17 that you have concluded. You closed these cases. How many have had positive outcomes in terms of having their late payment issues resolved?

Paul Uppal: On the issue about late payment, it is just that specific issue in terms of that payment, but we have intervened on all these cases. On all the cases that I have highlighted, I would like to say that we have had a positive outcome, on the basis that they have engaged with us, and it is certainly something they are putting a focus on. But it is very early… days.

Q16 **Stephen Kerr:** Did they get the money?

Paul Uppal: They have had money. There are a couple of cases, two cases, where they have had money.

Q17 **Stephen Kerr:** Just to clarify, out of 19 cases, two are live, so in two out of 17 cases the small companies have received the money they were due.

Paul Uppal: Yes, correct.

Q18 **Stephen Kerr:** But the others have not.

Paul Uppal: For the others, the money has come through the natural process, which would mean they were paid. The two I have particularly highlighted are where it was expedited, where it was paid within that day or within a 48-hour period

Q19 **Stephen Kerr:** As my last question, on what basis are we to measure your success in your role? How will we know what success looks like?

Paul Uppal: This is part of the problem. In terms of genuine data that is out there, it is patchy; that is the most euphemistic way I can put it. Is the figure in terms of late payment £14 billion or £45 billion? There is such a wide discrepancy at the moment. One thing I would like to do is drill down and make sure there is qualitative data here. There is a partner body that sits opposite us, which is the Pubs Code Adjudicator. I was talking to Paul Newby yesterday about best practice and lessons learned, and he said early on that he wished he had done more in terms of the work around data.

That is something that, when we are operationally independent, I would really like to push forward, so that we can get some tangible figures here, in terms of the issues around late payment and whether we are bringing the numbers down. Duty to report is also something we would like to dovetail with, to highlight best payment practice. Over a period of time, that can demonstrate whether there has been a tangible change. That is a real positive that we could take forward.

Stephen Kerr: I would certainly like to hear more from you about the metrics by which it will be judged whether the office is successful.

Q20 **Drew Hendry:** The Groceries Code Adjudicator has the ability to levy fines. Do you believe you should have powers like those and, if so, are you going to ask for them?

Paul Uppal: It is a very good question. It is a question that gets asked of me a lot. Candidly, all the stakeholders I meet ask me, "Do you think you should have the power to fine?", but on what basis do you do that? In my view, it is about drilling down on the basis for it. Having the ability to fine focuses minds and brings some more credibility to the role in that sense. I am not saying we cannot change the cultural aspects through having conversations, focusing and highlighting certain issues, but we cannot deny the reality. The ability to fine would certainly bring some more gravitas to the role. But, ultimately, that is above my paygrade and it is for my political masters to decide on that

Q21 **Drew Hendry:** You have said that that would give you more teeth and a better bite in terms of getting things done.

Paul Uppal: Inevitably.

Q22 **Drew Hendry:** Do you think that would increase the number of people who were coming to you? For example, I think you said the total overall was 48. Is that correct? How are you communicating with businesses to let them know you are available, and is there a lack of attractiveness just now that is holding things back?

Paul Uppal: I speak to district councils, banks, trade bodies and at various events. I am not going to highlight all the things we do. The issue is that there is a general reluctance among businesses to complain. That is because late payment is a symptom of a much broader disease, and the disease is this. It is about the commercial relationship between large and small businesses, where small businesses will take the view: "I would rather have a very, very bad commercial relationship than none at all". That is the problem. Do they like to talk about it? Very rarely. Is it an incredibly sensitive issue? Of course it is. Do they then want to complain? I have lots of people who approach me and anecdotally have the conversation, but they are very reluctant to forward and progress that into a claim.

Q23 **Drew Hendry:** It sounds like they feel it is almost pointless coming to you. Is that because you do not have enough back-up or authority?

Paul Uppal: The truth is that this ship has been sailing in this direction for a long time. Small businesses, rightly, are quite cynical in terms of what can be done around this. There is almost an element of acceptance around this. We want to make not just the ethical argument; what I think has not been made is the commercial argument.

We work collaboratively with Lloyds, which has done some fantastic work in terms of late payment, as has TSB, in terms of productivity issues. Very briefly, Lloyds has picked up, in terms of late payment, what it sees from its own customer base, how the parameters of that have changed and how it has got later, whereas larger businesses are getting money in much more quickly. TSB has done some work on where productivity is for small businesses in 2010, and it seems to have flat-lined.

This is not a simple, silver bullet, binary issue; it is a much more complicated and prosaic issue from that perspective. To go back to your point, why are businesses reluctant to complain? There is possibly an element of them accepting it. They think this is the way it has always been and it is never going to change. By speaking about this issue, highlighting it, making it relevant and sharing some personal stories, I want to show the impact that this has on not just productivity, but on the general economy as a whole, because it is a drag on the UK economy.

Q24 **Drew Hendry:** I have one very brief follow-up question. You said you had been out speaking to business groups and you have been getting the word out. Have you done any work in Scotland, Wales or Northern Ireland?

Paul Uppal: I am off to Scotland next week. I have met with LEPs and all sorts of bodies up and down the country. I could list them all, but I am sure you would not want me to waste your time like that.

Q25 **Stephen Kerr:** Whom are you seeing in Scotland?

Paul Uppal: It is a good question. You know, when somebody asks you that, you always think you have it just in front of you. I am meeting in

Scotland Paul Wheelhouse, who is the Minister for Business, Innovation and Energy, and Hugh Lightbody from Scotland Business Gateway.

Q26 **Albert Owen:** Very briefly, we have heard evidence from small businesses and, like you say, they want to remain anonymous, but they would like to see a list of poor payers. They want to see a Prompt Payment Code up there, and lists of names of poor payers you deal with on a regular basis. Is this something you are thinking of developing? I hear your point that powers to fine have to be apportioned by Parliament, possibly through an Act of Parliament, in that sense, but is the naming and shaming something you would see your body doing? That is important.

Could I just ask about the jurisdiction? You have jurisdiction for the whole of the United Kingdom, and you work with the devolved Administrations as well?

Paul Uppal: Correct, yes, we do. We work in all the devolved jurisdictions. In terms of the Prompt Payment Code and highlighting poor payers, as well as good payers—it is a quid pro quo—that is absolutely central to what the Office of the Small Business Commissioner should be doing. Of the two, as I referred to earlier, the duty to report is a fantastic opportunity in terms of data that is now in the public realm about how companies pay and the terms on which they pay.

Look, speaking very candidly, especially as somebody who used to be in this place at one time, statistics can be presented in a certain way. My personal view is that, for our office or as a Small Business Commissioner, pushing those figures and verifying that they are correct would really put the spotlight on this issue. In the past, you have had spikes in terms of interest, so there will be an issue over a business and late payment, and it gets a huge amount of light and heat focused on it for a 48-hour period. I see my role as ensuring more consistency here and keeping that up.

When I meet members of the general public and speak about this issue, they do not always see it as very relevant or pertinent. You can have the conversation about GDP, productivity and all that, but what I find always works is when I say, "Look, if your employer paid your wages at the end of the month and discounted by 10% because they had paid them on time, how would you feel about that?" All of a sudden, it is a bit of a lightbulb moment: it goes off in their head and they make that connection.

Q27 **Albert Owen:** As a final point, you spoke about your jurisdiction including the devolved Administrations. There is some good practice in the other Administrations, particularly with local authorities, which come under those devolved Administrations. Have you highlighted some of the councils that have been bad payers?

Paul Uppal: That is something we are working on at the moment. To embellish that, we have had some really productive meetings with growth hubs. I believe, from the conversations I have had, they are genuinely rooted in small businesses; they are having decent, honest conversations. I met with Mark Basnett and Janice Mears from the Liverpool LEP, and with John Wrathmell and Nick Fairclough from Andy Burnham's office. Following on from that conversation, they have asked me to join their business advisory board and talk about the Good Employer Charter. There is a lot of good stuff happening out there, and I want to make sure our office is a trusted, go-to body from that perspective, genuinely seen as independent, and can link in and use best practice and best information. We are happy to work with anybody and anyone, particularly anybody who has good practice and good ideas.

Q28 **Mark Pawsey:** You have just referred to the Prompt Payment Code, and I want to ask you about that, but, first of all, why do you think big businesses hold on to the cash? It does not affect their accounts; it does not make their accounts look any better. Rates of interest are relatively low right now, so they are not going to earn much from that. Why does this culture exist?

Paul Uppal: I wish I knew 100% the answer to that, but, in my personal view, it is because they can, and they feel they can. Maybe it is part of that broader disease of the commercial relationship. I have had lots of conversations with small businesses, and sometimes, when they stand up to the large business, the relationship slightly changes and there is more of an element of respect. Maybe it can massage bad practice and make a bad business look good. I am sure at some point we will talk about Carillion, which had a 120-day payment practice. That was undoubtedly because it was getting from the Government at 30 days and could pay in 120 days, so it made commercial sense from that perspective.

Q29 **Mark Pawsey:** Some small businesses choose not to deal with some big businesses because they do not pay very well. Is it not in the interest of those big businesses to incentivise those small businesses to deal with them? Is that not a good reason for trying to effect a change in culture here?

Paul Uppal: Yes, it is. Part of the problem is, from my experience of talking to them, that so many small businesses are quite siloed. They think the experience is unique to them. They are not aware that the big business is doing this to its whole supply chain. Sometimes you have that conversation: "It is not unique to you. You need to break that cycle". I accept the point. Look, there is the ethical argument, but there is a better business argument as well: this is good for all businesses involved, in terms of velocity of cash that is going round. There is a broader argument that getting cash flowing is good for UK plc, and we need to make that argument much more robustly.

Q30 **Mark Pawsey:** One way that we tried to change the culture was by setting out the Prompt Payment Code. We heard a lot about that a couple of years ago, and there was a big effort to get businesses to sign up to it. That initiative, frankly, seems to have tailed off. Is it part of your remit to encourage big businesses to sign up to the Prompt Payment Code? Are some of the companies that you are hearing about, that are transgressing, signatories to the Prompt Payment Code, or are those who sign up to the Prompt Payment Code largely honouring the commitment that they have made?

Paul Uppal: In an answer to the penultimate bit of your question, are there signatories to the Prompt Payment Code that do not pay promptly? Yes, there are businesses that do that.

Q31 **Mark Pawsey:** Can we not call them to account for failing to do what they have publicly agreed they would do? Is that your job or is that somebody else's job?

Paul Uppal: It is not my job.

Q32 **Mark Pawsey:** Whose job is that?

Paul Uppal: People do talk to me about that. It is currently administered by the Chartered Institute of Credit Management. I have an awful lot of time for Philip King. He does an awful lot of sterling work, but we cannot deny that there have been issues around the Prompt Payment Code. Carillion was on the Prompt Payment Code. Nobody has ever been kicked off the Prompt Payment Code. There are some issues there.

Q33 **Mark Pawsey:** Does it need more teeth?

Paul Uppal: It needs a system whereby it is continually revisited and it is seen to be credible. That is the issue. I cannot deny it; I cannot sit here in front of you and say there is not a gap, because there is a gap at the moment.

Q34 **Anna Turley:** Some of the research we have seen indicates that companies here in the UK are facing much worse conditions in terms of late payment than their international counterparts. Is that something that you recognise? If so, what lessons can we learn from how they do it abroad and different examples overseas?

Paul Uppal: There is a good presentational aspect to this. From an ethical payment perspective, if you have a map of Europe, generally the further north you go, the better it is. If you look at the UK, we are probably sitting just off France at the moment, and the debate is about how we push ourselves up to be more equivalent with our Scandinavian or German counterparts, which wear this as a badge of pride and pay promptly.

One of the conversations I had very early on was with the Australian Small Business Commissioner. After four years, it got to a point where, at the end of invoices, instead of saying that they would charge interest, small businesses would say, "If it is not paid within 30 days, we will refer you to the Small Business Commissioner". That became a general practice. I have a personal hope that we could get somewhere like that. That would be really good and would send out a positive message.

There are aspects we can talk about, but, if I am really candid with you, my opinion has slightly changed on that. I do not think everything you hear about on continental Europe is as fantastic as they will have you believe. I was talking on Friday to a French national, who does business with businesses in France and Germany and they are extending payment terms to 60 days and talking about extending to 90 days.

We should focus on what we can do here and make the commercial argument. That is the important point. I see myself as a Small Business Commissioner making that. Yes, we should look at best practice abroad, and the Australian example is a particularly good one, but then build on that and make something that is fit for purpose in the UK, because I think we can be a real exemplar here.

Q35 **Anna Turley:** You mentioned Scandinavia. Is there anything in particular that they are doing that we are not?

Paul Uppal: They have a long cultural practice of paying. It is almost a badge of honour to pay it. That is what it has to be. This is going to sound like a weird way to answer this question, but I had this conversation in my family. My kids love *The Apprentice*. I ran my own business for 20 years. I said, "*The Apprentice* is nothing; it is showbiz". Real business is about building trust. We need to show people that the real way to do business is by building trust and paying on time. If you pick up the phone every week and say you are going to pay next week, that has a knock-on effect.

The only person I spoke to who was happy to give his name today was a guy called *Garrett Keogh*[11.15.29]. He ran a media business, and he said, "I was running my creative business. I was spending two weeks out of a month being a debt collector rather than running my business". He said, "What I would love to do is go into schools and talk to young people about starting their own business. The best way is to have credibility, build trust and build on those foundations". That sometimes is not communicated. I know, from speaking to certain banks, they are happy to get mentors into schools to talk about this. That is something I would like to see as well.

Q36 **Antoinette Sandbach:** Some of the research and evidence, and in fact your evidence to this Committee, suggests that many companies are reluctant to chase or complain. You identified that they did not realise all the suppliers were on those terms; they thought it was unique to them. That was your evidence to us. The evidence to us from others is they are really scared of losing orders.

Paul Uppal: Yes.

Q37 **Antoinette Sandbach:** What can you and your office do to address that fear? As you described, in one case, you had a woman physically shaking.

Paul Uppal: There are so many other broader issues as well. One of them I did not highlight is that we are seeing a shrinkage in supply chain, so cutting out smaller businesses and going for larger businesses. We can highlight this. Part of the process of coming along today, and part of why this role has been set up, is to challenge larger businesses on this. Is this ethical practice?

Q38 **Antoinette Sandbach:** We have heard that a number of companies are involved in this process: Robert Dyas, GE, Boots, Holland & Barrett, Holiday Inn, G4S.

Chair: It was Premier Inn.

Antoinette Sandbach: Premier Inn, sorry. Apologies to Holiday Inn and Premier Inn.

Paul Uppal: Do not worry; it is an easy mistake to make.

Antoinette Sandbach: That is from a relatively limited evidence session. If we are able to find that out quickly, what have your inquiries shown? Are you being proactive or do you need to wait for a complaint to come to you from a small business?

Paul Uppal: I have met Robert as well. He was sitting in my office just before Christmas, so I have had that conversation with him. I want us to be a trusted go-to body. That does not mean we are some sort of priest who is providing a confessional, but we are finding, through meeting stakeholders and local authorities, that by word of mouth we are getting a message out there. It is taking time.

Q39 **Antoinette Sandbach:** Will you contact all those companies that I have listed and say that, at this evidence session, concerns were raised by Members of Parliament about their payment practices?

Paul Uppal: We would certainly follow up. We have been having those conversations with CEOs. I am meeting CEOs. I do not want to highlight anyone I am speaking to, but I have met with people from Serco, who are very happy with the relationships they have and see themselves as a model for how to take this forward. It is a mix.

Q40 **Antoinette Sandbach:** Given that name and shame is one of your big powers in terms of getting change to happen, are you prepared to name and shame?

Paul Uppal: Yes. I am not going to be backwards in coming forwards. There is no issue about that, but it is about having enough of a substantive base and enough complaints to say, "Look, there is a pattern of abuse here".

Q41 **Chair:** Antoinette Sandbach has mentioned these companies today. Have you heard those companies' names before as the Small Business Commissioner? Have they been raised?

Paul Uppal: Robert approached me. I think you spoke to Robert Dyas. I have met with Robert and he highlighted those issues to me.

Q42 **Antoinette Sandbach:** I was naming Robert Dyas as one of the companies that are paying late.

Paul Uppal: I am sorry; I met somebody outside, whom I had already spoken to. Sorry, I have got their name confused.

Q43 **Antoinette Sandbach:** It is making a 9% deduction for its small suppliers. There is a whole host of companies and there may well be more in written evidence.

Paul Uppal: Sorry, I misunderstood. I met somebody who was here and got confused.

Chair: That was private evidence.

Paul Uppal: I am sorry about that.

Q44 **Chair:** Antoinette is listing names of big organisations that we have heard from others are consistently paying late, and that is, they say, well known across their industries. I am asking about G4S, Premier Inn, Boots, Robert Dyas. Have those companies been named to you before as companies who are not paying on time?

Paul Uppal: We have heard some of those names mentioned, and we have approached them to sit down and talk to their CEOs. We are waiting—

Q45 **Chair:** What about the naming and shaming, Paul? You have said that you think that is an important power and a way to get change.

Paul Uppal: To be fair, I want to go and see them, so they can put their side. This is the advice from the Australian Small Business Commissioner about the way they operated. I want to give them right of reply, so at least that is done. If we are covered from a legal perspective, having done that, we are quite happy to name and shame.

Q46 **Chair:** We would be keen to hear back from you and your office about the companies that Antoinette Sandbach has mentioned today, which will now be on the public record, and your views on those companies and their payment terms. Would that be okay?

Paul Uppal: I am absolutely happy to put that on the public record. We will approach them, and I am quite happy to come back and speak about the discussions we have had.

Antoinette Sandbach: Or write to us.

Chair: If you could put that in writing to us as part of this inquiry, that would be very helpful. Thank you.

Paul Uppal: Sorry, forgive me; I misunderstood.

Chair: That is fine.

Paul Uppal: I met somebody. His name is not Robert; it is completely different.

Chair: Yes, fine, but that is private evidence.

Antoinette Sandbach: Can I add GSK to the list?

Chair: We will follow up in writing with the information we want.

Q47 **Peter Kyle:** You keep saying that you are not going to be backwards in coming forwards, but I do not think any of the companies we have just named, if they are watching this in their head office, will be at all worried, having heard your testimony. I do not think they will be quaking in their boots at the comments you have made today. Your approach to this sounds very reactive, not proactive, and you have not given a sense that you have either the scale of ambition to bring these companies to heel, or the resources to do work that is particularly widespread, if you are going to be reactive. You have said that you are a trusted go-to body, but you do not have the resources if 1,000 small companies come to you with specific complaints. How are you going to shift from being reactive to being proactive?

Paul Uppal: I cannot do anything about the resources in terms of where we are at the moment, but let me reassure you. I ran my own business for 20 years. I have been the victim of late payment; I have personally seen it; it has affected my family. This is something I personally care about. Whether they are shaking in their boots or not, I do not know, in truth, but I would say this. When we ring offices of CEOs, the first thing they say is, "Why does the Small Business Commissioner want to come and see us?" They are not always in any rush to have us in on a Monday morning at 9 o'clock to meet them, but we want to make sure, as a body, that we go and speak to CEOs. They have the right to reply; I do not want to blindside them. I am sorry if you feel that I have given the impression today that it is not something I am passionate about.

Q48 **Peter Kyle:** I am not judging you on your passion. I am not judging you on your background. I am judging you as a Commissioner who is paid £120,000 to do a job.

Paul Uppal: Absolutely, and that is how I will judge—

Q49 **Peter Kyle:** Why, for example, have you not done a survey of the sector, to see who the top 10 offenders are, and gone for the top 10 offenders, rather than waiting for 19 people to come to you?

Paul Uppal: Part of the problem we have is that we are not operationally independent at the moment; we are still in an implementation phase. We are still in the very early stages.

Q50 **Chair:** How long have you been in post for?

Paul Uppal: I was put in post in October, but that was to recruit staff and set up the office. We went operationally live as of Christmas, and we will be operationally independent imminently. The candid answer to your question is that we are still under BEIS; we are not operationally independent yet.

Q51 **Peter Kyle:** Are you open to the idea of doing a survey and going after the top 10 offenders?

Paul Uppal: Yes, it is something we would want to do. The duty to report could provide seminal information, and we really want to go to town with that. I am sorry if I have not expressed that in robust terms.

Q52 **Chair:** It is good to understand the length in post, because some of the numbers you gave earlier for the businesses that had approached you, to me—I do not know about other members—seemed on the low side. I guess you would expect those numbers to hopefully increase and expect your profile—

Paul Uppal: We would expect them to increase, but, much more than that, we want to put a spotlight on this issue. Sorry, I am repeating myself. The duty to report is something we would really want to aggressively work with.

Chair: I cannot speak for all members, but I think you would have our support if you took that approach, Paul.

Q53 **Peter Kyle:** Certainly. I have a specific question about your view on retentions, especially within the construction industry. Do you support Peter Aldous's Construction (Retention Deposit Schemes) Bill? Are you familiar with it?

Paul Uppal: Yes, I am. I used to work in construction and I know Peter very well. He is a decent guy. There is a lot of merit in his Bill. People in the construction supply chain have spoken to me, although it is not my remit, so I am speaking from a personal perspective here. Even within Government, retentions were being held, I think, off the top of my head, by the Skills Funding Agency. That is a longstanding issue. I do not see why that was the case. Government can take a real lead on this, but, yes, to answer your question directly, I am very supportive of the Bill. I think it is a good idea.

Q54 **Antoinette Sandbach:** Mr Uppal, just to take you back, you said that CEOs were not exactly making their diary available for you to turn up on a Monday. Do you think, if you could fine them up to X% of their turnover if they failed to pay their supply chain on time, they would be making that space for you in their diary?

Paul Uppal: I think so, yes.

Q55 **Antoinette Sandbach:** In order to be effective, you are going to need far greater powers in terms of fining companies for failing to comply with existing legislation.

Paul Uppal: It would focus minds intently.

Chair: Paul Uppal, thank you very much for coming to give evidence today. I am sure, over the months ahead, we will be seeing more of you and we look forward to seeing how your work goes.

Paul Uppal: Thank you very much.