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Darren Jones MP
Chair, BEIS Select Committee
House of Commons
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4 May 2021

Dear Darren,

Thank you for your recent letter of 21 April regarding the Late Payment Common Framework and the opportunity to answer your questions.

BEIS continues to work closely with Cabinet Office on the Common Frameworks Programme and will continue to align to its processes and milestones, in the expectation that the Department will take sole responsibility for the operation of fully implemented frameworks. We are committed to developing effective frameworks on a consensual basis with Devolved Administrations. As you have noted, five BEIS Common Frameworks have been provisionally confirmed by the UK Government, Scottish Government and Welsh Government ministers with specific responsibility for intergovernmental relations (who previously attended JMC(EN)), but not yet by the IGR ministers in the Northern Ireland Executive. These five BEIS Frameworks are therefore operating on an interim basis at official level through established ways of working between the four nations.

As the Common Frameworks programme is undertaken jointly between the UK Government and the Devolved Administrations, the Cabinet Office continues to work with the Scottish Government, the Welsh Government and the Northern Ireland Executive to develop a consistent approach to the publication of frameworks and in line with Cabinet Office guidance. We are committed to working towards our frameworks being finalised and properly scrutinised by the end of 2021.

I will now turn to the specific questions (in italics below) you have raised in your letter on the Late Payment Common Framework.

What will the process of reviewing how the UK Internal Market Act interacts with the late payment framework entail? How often will this process occur?

The quarterly meetings of the Late Payment Working Group will provide the opportunity for the administrations to consider if and how the UK Internal Market Act interacts with the Late Payment Framework, but minimal interactions are expected. Furthermore, meetings of the

working group may also be convened outside the regular schedule if a substantial issue arises.

In which instances could the non-discrimination principle be engaged?

The non-discrimination principle will only be engaged when discriminatory regulation as set out within the UK Internal Market Act, Part 2, clauses 20 and 21 has been introduced.

Have the devolved administrations signalled any intention to diverge in this policy area already?

Whilst the Devolved Administrations have had the powers to diverge within their existing competence, they have not signalled any intention to do so. A common UK approach continues to be maintained with recognition of the importance of maintaining a level playing field across the existing body of late payment legislation and policies, providing consistency and a uniform approach to the benefit of businesses across the UK.

How will continued adherence to the framework principles be assessed?

The Late Payment Framework governance structures will assess continued adherence to the framework principles, while taking into account future joint UKG-DA guidance, issued by Cabinet Office.

Was feedback given by any of the stakeholders involved in the consultation of this framework? If so, please provide a summary of the dates of any meetings and feedback received from each stakeholder.

A summary of the Late Payment Framework was shared with a range of stakeholders via correspondence. They were invited to send feedback or comments and offered the opportunity to discuss further if they wished to do so. No feedback was received from stakeholders and no meetings were requested, to discuss the Framework further.

Thank you again for your correspondence on this issue and I hope that you, and the Committee, find this response useful.

A handwritten signature in blue ink, appearing to read 'Paul Scully', is positioned above the printed name.

PAUL SCULLY MP

Minister for Small Business, Consumers & Labour Markets
Minister for London