



IPSE response to the Public Bill Committee call for evidence on the Enterprise Bill

February 2016

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About IPSE: The Association of Independent Professionals and the Self Employed (IPSE) represents the estimated 4.6 million individuals working for themselves in the UK. Often referred to as freelancers, contractors, consultants and nano-businesses, independent professionals are highly skilled specialists supplying their expertise on a flexible basis to a variety of businesses - from large companies to SMEs.

Please see below IPSE's response to a number of proposals as set out in the Enterprise Bill:

Establish a Small Business Commissioner, to assist in payment disputes and signpost advice services for small businesses

- **IPSE strongly supports the introduction of a Small Business Commissioner, and welcomes the proposal as part of the Enterprise Bill.** The Commissioner will prove a vital tool for the smallest businesses to address injustices caused by the disparity in power between micro businesses and their larger clients.
- **Experiences in Australia, particularly by the Victorian Small Business Commissioner, demonstrate that this model is a successful, practical, and scalable solution to the issues that small businesses face.** IPSE therefore believes that the Department for Business, innovation and skills should look to model the UK's Small Business Commissioner on the Victorian system where possible.
- **IPSE believes that the Commissioner should be a single point of contact for all dispute resolution between businesses.** For those businesses in industries where there are existing alternative dispute resolution systems (such as within the construction industry or the Groceries Code Adjudicator), the Commissioner should signpost businesses to these bodies, and act as an 'umbrella' organisation.
- **Where the Commissioner recommends mediation this should be outsourced to private sector arbitrators and mediators.** These arbitrators and mediators should agree to charge a fixed fee based on a tariff set by BIS in agreement with industry bodies, and should be subject to a minimum set of standards and guidelines.
- **The Commissioner's ability to handle complaints and deal with the most serious disputes means the body must be sufficiently effective to deter bad practice.** This includes having the power name and shame businesses that are guilty of poor conduct.
- **The Commissioner should also highlight poor practice where this is industry-wide.** It should do this in an annual or six-monthly report. The Commissioner should have the power to make recommendations to Government on areas where legislation is needed. The threat of regulation should be an effective deterrent.
- **The Commissioner should be able to arbitrate and make a final decision** between parties where the complaint handling function is invoked, or where private sector mediation has failed.
- **The Commissioner should work with trade associations** and encourage users to use such bodies for advice and guidance where available.

Introduce new measures intended to prevent the late payment of insurance claims to businesses;

Allow the Valuation Office Agency to share business rates information about properties and ratepayers with local government

- **Despite recent initiatives by the Government, late payment and contractual problems remain a big issue for IPSE's members.** We welcome efforts such as the strengthening of the prompt payment code and a toughening of the laws on late payment. The Commissioner must be an essential component of this broad toolkit of measures. It should not be a replacement for existing measures or create added confusion in the marketplace.

- For simple cases, the Commissioner can make businesses aware of their rights and responsibilities, and provide guidance about how to exercise these rights.
- Particularly in the service industry or where late payment is disputed, the Commissioner can point parties toward mediation services.
- In more intractable cases, the Commissioner should make a final decision about fault, which in the event of court action, would be upheld.
- Finally, in industries or sectors where this issue is prevalent or where an excessive amount of complaints are received, the Commissioner can draw attention to this and publicly “name and shame” in its annual report.

Extend the Business Impact Target to include regulators, requiring them to assess the impact to business of their practices, and modify the way in which regulators engage with the Growth Duty and Regulators’ Code

- **Government should take into account the impact of policies on the self-employed.** This was also taken into account by Julie Deane OBE in her review of the self-employed for the Department of Business Innovation and Skills. We advise that the Public Bill Committee also takes this into consideration.