



Institute of Credit Management

Our ref. GB/PJK/NH

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Dear Sir/Madam

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**RESPONSE OF THE INSTITUTE OF CREDIT MANAGEMENT TO: THE CABINET OFFICE –
SMALL BUSINESS, ENTERPRISE AND EMPLOYMENT BILL – REFORMS TO PUBLIC PROCUREMENT**

The Institute of Credit Management is the largest professional credit management organisation in Europe. Its members hold important, credit-related appointments throughout industry and commerce, and we feel it appropriate to comment on this consultation.

Our submission contains responses only to those questions which are of relevance to the Institute and its members.

Question 1(ii) - All businesses, but particularly small ones, are dependent on cashflow and it is vital that prompt payment is made throughout the supply chain from top to bottom. In order to ensure this happens, public sector contracts should not be placed with businesses that have failed to sign up to the Prompt Payment Code. Awarding contracts to non-signatories suggests that payment behaviour is unimportant with a consequent negative impact on the sustainability of business and, more widely, the economy.

Question 3 – See answer to question 1; the awarding of contracts to late payers has a detrimental impact on SMEs.

Question 10(i) – The biggest barrier to the adoption of electronic invoice acceptance is the issue of interoperability of systems. Access to systems and costs of implementation are further barriers. Measures to remove these barriers should include promotion, education, and support, particularly through the work of such organisations as the UK National e-Invoicing Forum (UKNeF) of which the ICM is an active member.

Question 12 – Electronic invoicing will not, of itself, ensure that the public sector pays suppliers more promptly. It will however have a number of positive impacts which are likely to improve the payment experience of suppliers. Most e-invoicing systems pre-define the format of entry fields and ensure the correct information is provided. They also often provide acknowledgement that an invoice has been received, a facility to notify details of any queries, and provide a mechanism allowing progress in the invoice approval process to be tracked. All of these provide benefit to suppliers and enhance the likelihood that payment will be made more promptly.

If we can help in any further way please do not hesitate to contact us.

Yours faithfully

**Glen Bullivant FICM
Chair of Technical Committee**

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