

At the start of last year, there were an estimated 5.2 million small businesses in the UK, together employing over 12 million people and having a combined turnover of £1.2 trillion.

We find our greatest innovators and entrepreneurs within our small businesses. The businesses they start and grow will take us out of the economic turmoil we've suffered in recent years and back into the black.

Yet, too often, our small businesses are not supported. They struggle to get finance to set up or expand their businesses. Larger companies who don't pay invoices on time, damage their cash flow. Business rates can be prohibitively high. Excessive regulations stream out of Brussels, adding huge administrative and financial burdens to the challenges already faced by small businesses. All this must stop.

## REDUCING BUSINESS RATES

Business rates as a tax are a great burden on business and especially so on small businesses, where they represent a disproportionately high fixed cost. The Small Business Rate Relief currently only applies up to a rateable value of £12,000, meaning many small and medium-sized businesses receive no relief at all. UKIP recognises this often rapidly-growing sector needs much greater support and we will change the Small Business Rate Relief as follows:

- If a business has only one property and the rateable value is less than £50,000, the business will get 20 per cent rate relief
- If the business has more than one property, the 20 per cent rate relief will still apply, provided the total rateable value of all properties is less than £50,000
- Other existing business rate reliefs will not be affected and will apply where the relief provided under those schemes is greater than 20 per cent

- Almost 90 per cent of business properties, over 1.5 million in total, have a rateable value of less than £50,000, so are potentially eligible for this 20 per cent discount.

## LATE PAYMENTS

According to the Department of Business Innovation and Skills, more than £20 billion is locked up at any one time in delayed late payments from large companies (defined as a company with over 250 employees) to small suppliers of goods and services.

**Small businesses find cash-flow tough enough in the current economic climate. The last thing they need is to be bullied into providing interest-free loans to their customers.**

**It is not acceptable for big businesses to exploit smaller firms by deliberately delaying payments and UKIP will take firm action to stop this practice.**

Existing regulations are of little practical use: small businesses are reluctant to charge interest to customers and legal proceedings are expensive, time consuming and hardly an effective way to develop business relationships.

UKIP will introduce a scheme whereby small businesses will provide evidence of repeated late payments, beyond agreed terms, together with evidence that timely requests for payments have been made, to HM Revenue and Customs.

Based on the evidence - particularly if there are multiple complaints about the same company - HMRC can then carry out an inspection of that company's records.

**The identity of the complainant company will remain confidential.**

If the large company is found to be systematically exceeding its contractual terms of payment with small businesses, a sanction of significant fines, proportionate to the extent of the abuse of terms, will be levied.

**Fines would escalate for repeat offenders and be noted in the offending company's statutory accounts.**

UKIP will also end a growing practice whereby large companies extend their payment terms to small companies, by arranging for their supplier to take out a bank loan to facilitate their demands.