



WeldingWorld

Welcome increase for money spent on small businesses

An increase in the amount of money the government spends with small businesses has been welcomed by politicians and business leaders.

Figures released by the Cabinet Office show that for the year 2018/19, government spending with small and medium size firms rose to £14.2bn – an increase of £1.8bn on the previous year.

The amount of money the government spent with small businesses in 2018/19 was highest since government records began in 2013.

The investment has seen money pumped into small businesses providing services as varied as training courses for apprentices to the development of specialist software.

The government's manifesto also committed to making sure that businesses are paid on time.

And latest data from the Cabinet Office shows that the department pays 99 per cent of its undisputed invoices within 30 days and 91 per cent within five days.

The government's commitment to prompt payment also covers the private sector, where tough measures are in place to make sure that suppliers are paid in good time.

- Government spent £14.2 billion with small and medium size businesses in 2018/19
- Figure is nearly £2 billion more than previous year.
- Spending levels welcomed as a step in the right direction to help the vital small business sector
- Latest data also shows Cabinet Office pays 99% of its bills within 30 days

Cabinet Office Minister, Oliver Dowden, said:

“We're committed to using the power of government spending to support small businesses across the country and this is something I've championed in my time as a Minister - so it's great to see these figures heading in the right direction.

“As we leave the EU we can create more opportunities for small businesses to win government business - boosting growth, employment and innovation.”

Mike Cherry, the National Chairman of the Federation of Small Businesses, said:

“Making better use of small businesses in government procurement is good for public services, good for the economy and good for taxpayers. The Cabinet Office is showing real leadership to drive further progress on this issue and it is good to see this progress begin to be reflected in today's figures.

“Letting a greater proportion of public sector contracts to small businesses will increase competition, value for money and innovation, not to mention boost jobs across the UK. We will continue to work with government as it seeks to reach its welcome commitment for one third of public procurement to be with SMEs by 2022.”