Introduction
The Government set out its plan for the Enterprise Bill in the Queen’s Speech in May 2015. The Enterprise Bill aims to support small and medium sized businesses, which Secretary of State for Business Sajid Javid described as “Britain’s engine room”. The Government recognises that SMEs are pivotal for economic growth in the UK and that small businesses are often disadvantaged when involved in disputes with larger firms.

Broadly, the Bill includes measures to promote enterprise and economic growth, and makes provision for restricting exit payments in relation to public sector employment. The Enterprise Bill has been designed as a tool to cement the UK’s position as the best place in Europe to start and grow a business.

The Bill sits in the Government’s pro-business agenda and is in keeping its ambition to make the UK more competitive internationally and to make Britain one of the best places in the world to do business.

Act contents
Introduction of a legal obligation for insurance claims to be paid within a reasonable timeframe: Includes measures to:

- Introduce into every contract of insurance a requirement to pay sums due within a reasonable time, ensure that the law incentivises insurers to pay within a reasonable time, and to promote payments within a reasonable time.
- Give policyholders a legal right to enforce prompt payment of insurance claims.
- Provide for limited compensation to be payable by an insurer where a policyholder suffers additional loss because of the insurer’s unreasonable delay in payment.

Creation of a Small Business Conciliation Service: To help resolve business-to-business disputes, without the need for court action, tackling in particular, late payment issues.

Public Sector Redundancy Pay: Introduces a cap on exit payments made to public sector workers to end 6-figure payoffs for the best paid public sector workers.

Improvements to the business rates system ahead of the 2017 revaluation: This includes modernising the appeals system, introduction of business rates appeals reform, modifying the Valuation Tribunal powers to consider ratepayer appeals and allowing for the Valuation Office Agency to share information with local government to improve the system for both local government and ratepayers.
State of play

The Enterprise Bill was introduced to the House of Lords in September 2015 and has completed its passage through Parliament. It received Royal Assent on 4 May 2016.

The provision in relation to late payment of insurance claims will come into effect on 4 May 2017.

The requirement for insurers to pay compensation in the instance of late payment has been viewed by the industry as controversial.

Contact

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2016 Political timeline

- Riot Compensation Bill - Second Reading in the House of Lords
  - February/March (estimate)
- FCA insurance premium on renewal notices consultation closes
  - 4 March
- Government response to joint Committee report on Investigatory Powers Bill Q2 (expected)
  - Q2
- CJC final report on NIHL
  - April
- Regulator Innovation Plans
  - Spring
- EU Referendum
  - 23 June
- US Presidential election
  - 8 November
- Government consultation on removing barriers to entry for ABS
  - Spring
- Party conferences
  - September/October
- Budget 2016
  - 16 March
- UK Devolved Institutions, Local and London Mayoral Elections
  - 5 May
- Enterprise Bill to receive possible Royal Assent (estimate)
  - March/April
- Government whiplash reform consultation (expected)
  - Q1