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Windsor House
9 - 15 Bedford Street
Belfast
BT2 7LT

Tel: 9035 4813 ext 29032

Email: john.collins@niwater.com

Your reference:

Our reference: NIW 1213284

Date 02 January 2013

Dear Mr. Spence,

Freedom of Information Act 2000

Thank you for your Freedom of Information request of 08 December 2012 in which you requested a copy of NIW's submission to the Combating Late Payment in Commercial Transactions consultation which closed on 19 October 2012.

Annex A attached refers.

You have the right to request that NI Water formally review this response within two calendar months of the date of this letter. If you wish to do so, please write to NI Water Information Management Unit, 15th Floor, Windsor House, 9 - 15 Bedford Street, Belfast, BT2 7LT

If, after such an internal review, you are still unhappy with the response, you have the right to appeal to the Information Commissioner at Wycliffe House, Water Lane, Wilmslow, CHESHIRE, SK9 5AF, who will undertake an independent review.

If you have any queries about this letter, please contact me. Please remember to quote the reference number above in any future communications.

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Yours sincerely

A handwritten signature in blue ink, appearing to read 'John Collins', with a stylized flourish at the end.

John Collins
Information Manager
Northern Ireland Water



Directive 2011/7/EU on Combating Late Payment in Commercial Transactions: consultation. Response form

The closing date for this consultation is **19 October 2012**

Name: Jane Mellor

Organisation (if applicable): NI Water

Address: Old Westland Road, BELFAST, BT14 6TE

Please return completed forms to:

Andy Harrison,
Policy and Strategy Team,
Enterprise Directorate,
Department for Business, Innovation & Skills;
1 Victoria Street,
LONDON, SW1H 0ET,

Tel : 020 7215 6032

E-mail : andy.harrison@bis.gov.uk

Please tick a box that best describes you as a respondent from the list of options below:

	Business representative organisation/trade body
√	Central government [NI Water is an NDPB of a central government department]
	Charity or social enterprise
	Individual
	Large business (over 250 staff)
	Legal representative
	Local Government
	Medium business (50 to 250 staff)
	Micro business (up to 9 staff)
	Small business (10 to 49 staff)
	Trade union or staff association
	Other (please describe)

Question 1

1. (Article 4 para b) Should UK public sector payment terms involving healthcare or where the public authority carries out economic activities of an industrial or commercial nature by offering goods or services on the market, be extended beyond 30 calendar days to up to 60 days?

Government feels that adopting this measure would be a retrograde step, and would significantly weaken current UK practice of paying within 30 days.

Comments:

NI Water agrees with the Government's position.

2. To transpose (implement) the Directive should we should repeal the existing Late Payment of Commercial Debts (Interest) Act 1998 and replace it with secondary legislation (statutory instruments) or amend the Late Payment of Commercial Debts (Interest) Act 1998?

Comments:

No comment.

3. Compensation for recovery costs (Article 6): The current Late Payment of Commercial Debts (Interest) Act 1998, suggests a fixed charge of £40, £70 or £100 depending on the size of the debt (under £1,000, under £10,000, and higher) as compensation for recovering costs. The revised directive propose a creditor is entitled to obtain from the debtor, as a minimum, a fixed sum of €40, as compensation for recovery costs, plus additional costs incurred.

Should the three tiered approach be retained or changed to a minimum compensation?

Comments:

NI Water prefers a change to a minimum compensation. This will require less administration.

4. (Article 12 para 4) If the Directive is transposed (implemented) on 16 March 2013, our proposal is to exclude contracts concluded before 16 March 2013 from being subject to the Directive, given the changes introduced are not sufficiently substantive to warrant retrospective application and that retrospective application will incur a costly process of contract review – is this the correct choice?

Comments:

NI Water agrees that this is the correct choice.

5. An Impact Assessment is shown at Annex 3 of the consultation document that also includes a number of question that we would be grateful for you to answer:

IA Q1: Do you have any further evidence about problems created by late payments, particularly where this potentially impacts on business survival/insolvency?¹

NIW has no further evidence.

IA Q2: Do you have any further evidence about the incidence or magnitude of write-offs associated with late payment debts?²

NIW has no further evidence.

IA Q3: Do you have any further evidence about the incidence of firms chasing late payments outside of existing legislation?³

NIW has no further evidence.

IA Q4: Do the assumptions underpinning the above estimates of costs and benefits seem sensible? Do you have any evidence that could help to refine these estimates?⁴

NIW has no further evidence.

IA Q6: Do you agree with the assumptions in the above calculations? Do you have any further evidence that could help to refine the estimates about the potential reduction in administrative costs associated with chasing late payments?⁵

NIW has no further evidence.

IA Q5: Do you agree with the assumptions in the above calculations? Do you have any further evidence that could help to refine the estimates about the potential reduction in write-offs?⁶

NIW has no further evidence.

¹ See page 5 of the Impact Assessment

² See page 5 of the Impact Assessment

³ See page 11 of the Impact Assessment

⁴ See page 11 of the Impact Assessment

⁵ See page 12 of the Impact Assessment

⁶ See page 13 of the Impact Assessment

Do you have any other comments that might aid the consultation process as a whole?

Please use this space for any general comments that you may have, comments on the layout of this consultation would also be welcomed.

NI Water suggests that late payment should not apply to invoices received more than 2 years after the goods or services were provided. Such late invoices (which we do receive from time to time) require additional time to verify and the 30 day target could not be met.

Thank you for taking the time to let us have your views. We do not intend to acknowledge receipt of individual responses unless you tick the box below.

Please acknowledge this reply ☐

At BIS we carry out our research on many different topics and consultations. As your views are valuable to us, would it be okay if we were to contact you again from time to time either for research or to send through consultation documents?

☒ Yes

☐ No

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