



Legal and General

13:00-13:30, Wednesday 23rd September

Call

External attendees:

Nidhi Khara, Procurement Manager - Strategic Initiatives & Special Projects at Legal & General
Elaine Cermak, Strategic Initiatives & Special Projects Lead at Legal & General

Internal attendees:

[REDACTED] Private Office
[REDACTED] Head of Small Business Payment Policy -

Purpose of meeting and handling:

- Elaine Cermak has written to you to ask for a call to better understand how Legal and General, as a large corporate, can better engage with SMEs to discuss how this can support UK economic recovery.
- Legal & General are reviewing how they engage with SMEs. They are aware that SMEs find establishing opportunities to work with companies such as Legal & General challenging and they want to see how they can **open up their procurement processes to allow wider opportunities for SMEs** where it is of mutual benefit – but in a manageable process.
- **Legal and General are also signatories to the Prompt Payment Code**, so would be good to flag the current consultation on reform and the principle of smaller companies being paid within 30 days we are seeking views on.

Agenda:

No	Item	Time
1.	Introductions	13:00
2.	L&G to update on action they are taking to support and engage with SMEs (Nidhi and Elaine)	13:05
3.	Government action and prompt payment to SMEs	13:20
4.	Reform of the Prompt Payment Code	13:25
5.	Close	13:30

Points to make:

Agenda Item 2 – L&G to update on action they are taking to support and engage with SMEs

Agenda Item 3 - Government action and prompt payment to SMEs

- Central government spend figures published for 2018-19 show that SMEs earned £14.2 billion through government contracts.
- This is nearly £2 billion more than the previous year and the highest since government records began in 2013. This is 25.7% of central government procurement expenditure.

- The comparative figures, for BEIS department itself, show that SMEs earned £455 million through government contracts.
- This is £44 million more than the previous year. This is 35.1% of BEIS procurement expenditure. Which meets the previous government target of spending 1 pound in 3 with SMEs.
- In March last year BEIS published its SME Action Plan setting out what we would do to encourage more SMEs as suppliers. It can be found online and might be of use to you when considering what action you might want to take.
- But it isn't just about increasing the volume of business which is awarded to SMEs in the supply chain across the economy. The government's manifesto commits to making sure that businesses are also paid on time, especially important for the smallest who cannot weather shortfalls in cash flow.

Prompt Payment Code and Reform

- I know that you are a signatory of the Prompt Payment Code.
- We are now engaging with signatories on reform of the PPC, including asking views on a new principle for the Code of paying the smallest suppliers within 30 days.
- The Office of the Small Business Commissioner, who now administer the Code will be emailing to your organisation a survey setting out potential reforms for you to contribute your views.
- We plan to relaunch the reformed Code in November,

Biographies

Nidhi Khara - Procurement Manager - Strategic Initiatives & Special Projects at Legal & General



Nidhi has 14 years' of procurement professional experience, with a MBA degree specializing in Supply Chain Management She is an active member of the Chartered Institute of Procurement and Supply (CIPS) with extensive experience of tendering and contract management as well as providing procurement consultancy to a range of business stakeholders.

Elaine Cermak - Strategic Initiatives & Special Projects Lead at Legal & General



Elaine is a procurement professional with over 20 years' experience in private sector organisations. She has worked with business areas at all levels providing varying levels of commercial support from consultative to full service across all areas of expenditure. She has broad indirect expenditure experience including: Financial and Investment Services, Business Process Outsourcing, Professional Services, Legal, Marketing, FM, HR and Recruitment, IT Software and Services, Construction.