

## News Release

### **NFB WELCOMES SUPPORT FOR SMALL FIRMS IN CHANCELLOR'S BUDGET**

Leading trade body the National Federation of Builders (NFB) has welcomed the announcement by the Chancellor in last week's Budget to better support small and medium sized enterprises (SME) tendering for public sector contracts.

Measures announced include the creation of an independent committee designed to advise Government on reducing barriers to SMEs, with recommendations due to be announced in the next Pre-Budget Report.

The committee, to be chaired by Anne Glover, Chief Executive of Amadeus Capital Partners Limited, will also advise on the feasibility of setting a goal for SMEs to secure at least 30% of all public sector business in the next five years.

Firms working for the public sector were also told they would be able to sell public sector invoices to debt specialists to help improve their cashflow.

The NFB, whose membership is 95% SME, has been lobbying to raise the profile of smaller construction companies competing for public sector work, many of whom have often been excluded from traditional areas of work due to the continued rise of frameworks and bundled contracts.

Last year, the organisation produced a detailed report on the SME's role in public sector contracts based on the responses of 450 firms. The report, which was discussed at the Select Committee advising on SME engagement, showed only 3% of firms turning over less than £500,000 said they were carrying out more public sector work than five years ago, compared with 26 per cent of large companies (£25m - £60m).

It also found the smallest firms were less optimistic about winning new public sector contracts, with only 5% predicting an increase in local authority work in the future compared to 20% of large firms.

Julia Evans, Chief Executive of the NFB, said: “This is a real step forward for SMEs in construction.

“The NFB has been working hard to promote the interests of smaller contractors in the public sector and today’s announcement illustrates the impact that this work has had.

“They have a vital role to play in the delivery of the public sector construction projects, providing best value and innovation. Today’s budget is an acknowledgement of this.”

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