



Devolution and Partnership Working

9th December 2015



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Presentation ——— 9 December 2015

Devolution and Partnership Working

Business Services Association

Session one – Devolution: The Journey to Date

— Pioneering — Bahrain — Construction — Public sector — Energy — Real estate — London — Tax — IT — Dubai — Manchester —
Connecting — Knowledge — Pragmatic — Malaysia — Exeter — Thought leadership — Housing — Agile — Creative — Connecting — Private equity
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Questions to address

- How could businesses be better engaged with the devolution agenda?
- What impact will devolution have on market opportunities?
- In the devolved landscape, what will the role of local businesses be in supply chains?
- How will the relationship between business and the public sector have to evolve?
- Will devolution mean more or less red tape?

How could businesses be better engaged with the devolution agenda?

- LEPs are the primary way businesses currently engage with the devolution agenda
- Local SMEs do not necessarily have representation on LEP boards
- Use of additional business fora may provide an answer, eg, Manchester's Business Leadership Council
- But must be careful not to blur the lines of influence and create too many layers

What impact will devolution have on market opportunities?

- Combined authorities are procuring works/services/supplies for larger geographic areas, with potentially greatly increased contract values
- This could result in a smaller pool of contracts being available, but the rewards of winning one could be greater
- CMA report 2017 on devolved cities' support for competition and challenge if not

In the devolved landscape, what will the role of local businesses be?

- Local businesses and SMEs can take heart from the Public Contracts Regulations 2015 requirement to split larger contracts into smaller lots, making participation in larger contracts a more realistic prospect
- EU non-discrimination principles still apply (for now!)
- Devolution is placing decision making with commissioners who know local needs and local strengths. It can provide a great opportunity for local businesses to enter combined authority supply chains

How will the relationship between business and the public sector have to evolve?

- Combined authorities' brokerage role
- With fiscal decisions being made at a devolved level, businesses will need to ensure that they engage with combined authorities in order to shape the local agenda and financial strategic vision
- We are already seeing changes in the way business interacts with local authorities, for example in Manchester, the chairman of the Business Leadership Council has a seat on the combined authority
- There needs to be a shift away from transactional interactions with local authorities (licensing, taxation) to genuine dialogue and co-operation

Will devolution mean more or less red tape?

- For businesses operating in combined authority areas, potential for less red tape; now only one local authority must be engaged with on projects instead of multiple smaller ones
- However, when it is considered that Manchester has both a LEP and Business Leadership Council, it is important that lines of responsibility and communication are not blurred, and that layers are not added needlessly

Any Comments?

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