

The bonfire of the EU's vanities – a Brexit bonanza for the UK's small employers

This report has been co-published with our affiliated organisation, [Brexit Facts4EU.Org](https://BrexitFacts4EU.org). We are most grateful for their original research into the raw data which backs what follows.

Over 350 EU regulations are being slashed in one new UK law

Businesses to be “freed from straightjacket of complicated EU rules and red tape,” says Rees-Mogg

The Government is the biggest customer for goods and services in the United Kingdom. Very soon its £300 billion per year spending with suppliers will be opened up to small and medium-sized British businesses (SMEs), thanks to Brexit.

This report summarises a new UK law which will throw out hundreds of EU regulations and make procurement by central and local government more efficient, delivering cost-savings to the British taxpayer.

The Bonfire of the EU's Vanities

New procurement rules which will level the playing field for SMEs and drive economic growth across the UK have moved a step closer to becoming law this week. The Bill was debated in Parliament on Wednesday and is expected to become law next

year.

350 EU rules are being ditched, creating a much simpler, more flexible and transparent procurement system. The new Bill will do away with the overly-bureaucratic EU rules that are complicated, time-consuming, and too expensive for most firms to navigate.

Minister for Brexit Opportunities and Government Efficiency, Jacob Rees-Mogg said:



“Freeing businesses from the straightjacket of complicated rules and red tape was one of the key reasons that the British public voted to leave the EU.

“Now that we’re out, we can create a simpler and more transparent system that promotes competition among businesses and reassures taxpayers that every penny of their money is well spent.”

– The Rt Hon Jacob Rees-Mogg MP, Minister for Brexit Opportunities and Government Efficiency

What is all this worth?

New figures show public sector spending with small businesses rose to a record £19.3 billion in 2021/22. Spending through SMEs grew by £3.7 billion on the previous year, with £10.2 billion of the total spent with SMEs directly and a further £9.1 billion through supply chains.

This, however, is the tip of a large iceberg. Total Government spending with its (mostly) Big Business suppliers is worth around £300 billion per year. **Now, thanks to Brexit, this massive opportunity is being opened up to SMEs around the country.**

The Bill will tear up hundreds of complicated and bureaucratic EU rules and replace them with a single, simple and flexible framework for securing public sector contracts.

The reforms will slash costs and make it easier for businesses bidding for contracts, particularly smaller companies with less experience of procurement processes. This will result in more SMEs benefiting from contracts for everything from catering for public buildings to digital services and infrastructure projects.

Yesterday even the pro-EU CBI, voice of Big Business, welcomed the new law

The CBI has always been pro-EU, campaigning (unofficially but very clearly) for Remain in the EU Referendum. In the anti-democratic years of the Theresa May government it continued its stance. Finally, however, it has been forced to recognise the opportunities that are now being opened up by Brexit.

The CBI's Deputy Director for Policy said:



"Businesses are excited to seize the opportunities presented by this once-in-a-generation Procurement Bill.

"From the streamlining of complex procurement processes, to the new digital supplier registration system that will slash the administrative burden facing suppliers, the Bill sets out proposals to cut red-tape, promote transparency, and encourage great public-private collaborations.

"The new regulations will make working with government easier and more attractive to businesses of all sizes, and industry stands ready to help translate the benefits from paper into practice."

– Liz Crowhurst, CBI Deputy Director for Policy, Monday 30 May 2022

The changes outlined in this Bill will apply to all public sector bodies, including local authorities and central government departments. The new regime will maintain compliance with the UK's international obligations including the World Trade Organisation's Agreement on Government

Procurement, which gives British businesses guaranteed access to £1.3 trillion in public procurement opportunities overseas.
