



Rethinking Public Procurement for Public purpose:

Insights from Anchor Institutions in the City of Leeds – How can large public sector organisations in the city use their buying power to support a more inclusive and resilient economy?

Project Recommendations



Leeds Social Impact Hub: Enhancing Community Benefit Through Procurement

A Leeds-based Social Impact Hub could significantly strengthen the local impact of social value commitments made through public procurement. Our research highlights a key challenge: many procurement teams within anchor institutions lack insight into the real needs of local communities. This often results in suppliers offering generic, low-impact social value activities.

Coordinated by the Leeds Anchors Network and inspired by models like the Gateshead Exchange¹, the Hub would be a digital platform where local organisations including schools, charities, and other voluntary, community and social enterprises (VCSEs) can submit real-time requests for support. These would be curated and shared with procurement teams, helping to inform upcoming tenders and

allowing suppliers to tailor their social value offers to specific community needs. Suppliers could also submit offers independently of procurement timelines.

The Hub would deliver clear benefits: communities are more likely to receive relevant support; suppliers can develop more competitive, locally grounded offers; and procurement teams can design better tender questions and evaluate social value more effectively. Although the platform would not legally bind suppliers or guarantee contract awards, it would promote more meaningful and measurable impact. To succeed, the Hub would require dedicated staff to manage engagement with VCSEs, curate requests, and support procurement teams in integrating the platform into their processes.

Leeds Socially Impactful Business Incubator

Our research revealed two key challenges: procuring organisations often struggle to identify local suppliers in certain sectors and rarely consider how to support the VCSE sector into the procurement market. A dedicated business incubator for socially minded and democratic enterprises would address both issues, supporting anchor organisations in meeting their social value goals while generating long-term local economic benefits.

The incubator's core mission would be to match new VCSE capacity with strategic gaps in public sector supply chains. By aligning supply- and demand-side interventions, the incubator can help shape and co-create local markets and foster innovation in support of a more democratic economy. Supporting the growth of VCSEs would help anchors fill critical supply gaps, develop local skills, create high-quality employment, and build more resilient and cost-effective supply chains. This, in turn, can reduce

¹ <https://www.gateshead.gov.uk/article/24415/Gateshead-Exchange>

pressure on local public services and strengthen the broader Leeds economy.

The incubator would offer a combination of physical and strategic infrastructure. A shared workspace with discounted facilities would reduce start-up costs, while administrative support would help individuals and organisations build sustainable business models. Critically, it would also facilitate close collaboration with anchor procurement teams, allowing VCSEs to align their growth plans with actual procurement demand. Seed funding and access to wider funding opportunities would further support enterprise development.

The incubator could be modelled on Cooperative Development Agencies and draw on existing innovation ecosystems in Leeds, such as Nexus at the University of Leeds. To fund both the incubator and the Social Impact Hub, anchor organisations should pool resources via a raised membership levy and pursue external funding. A joint steering group comprising representatives from Leeds Anchors, Leeds Community Anchors Network, Trades Union Council, West Yorkshire Combined Authority, and Leeds Business Anchors should oversee both initiatives and ensure legal and strategic alignment.

A Strategic Anchor Plan to Deepen Public Purpose in Procurement

Our research reveals a key challenge within the Leeds Anchors Network: while progress has been made, many procurement teams still lack clarity on how procurement contributes to broader social and economic goals. Commitment to public purpose also varies across institutions. To address this, the network should adopt a unified strategic procurement plan that embeds civic purpose across all member organisations. Such a plan would align procurement teams around a shared vision, positioning procurement not just as a functional activity but as a driver of community impact. It should be championed at all organisational levels and supported by dedicated staff where possible.

Three strategic priorities should underpin this plan:

1. Adopt Clear Objectives:

Anchors should revisit and build upon previous research and frameworks, including the Leeds Social Value Charter (2016) and the as-yet-unpublished Leeds Anchors Social Value Statement (promised in 2019). A new set of bold, forward-thinking procurement priorities should be co-created through workshops involving local community stakeholders, such as the Leeds Community Anchors Network. These objectives must be ambitious and avoid being diluted into the lowest common denominator.

They should reflect a long-term commitment to meaningful social impact.

2. Establish Clear Definitions:

To ensure clarity and consistency, shared definitions for key terms such as ‘social value’, ‘social impact’, ‘local’, and ‘economic resilience’ must be developed. Definitions should go beyond standard categories like jobs and skills to include outcomes such as reduced health inequalities, addressing deprivation, and supporting underserved groups. ‘Local’ should refer to organisations that genuinely circulate wealth within the regional economy, rather than firms with superficial local presence. This requires more nuanced metrics and stronger data capacity within procurement teams.

3. Develop Systematic Thinking:

Procurement must be integrated into wider organisational strategy and decision-making. A systemic approach would encourage early-stage involvement of procurement in spending decisions, fostering alignment with service teams, leadership, and external stakeholders. Social value considerations should extend beyond the standard 10% scoring requirement in procurement tenders to become a principle reflected in all spending decisions, to embed meaningful civic purpose across all anchor institution operations.

Contact:

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