



# 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 local economy?

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We hope this report contributes to ongoing debate about the vital role of public procurement in fostering a resilient and inclusive economy. Any errors of interpretation remain our own.

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# 1. Introduction

In recent years, the UK has faced significant challenges, including the pandemic and cost of living crisis. These challenges have exacerbated an economic condition already straining from the long-term impacts of deindustrialisation and public sector austerity, with high income inequality, struggling public services, stagnant economic growth, and entrenched regional disparities. The resulting sense of disenfranchisement, especially in so-called ‘left behind’ neighbourhoods and cities, has opened the door for populist, right-wing political narratives to thrive. These longstanding issues underscore the need to rethink economic governance and politics to support greater economic resilience and allow more equal and thriving cities.

As part of this wider rethinking, this report presents the findings of a research project that aimed to understand the specific role public procurement can play in addressing these economic challenges. Our research examined the impact of public procurement driven by local ‘anchor institutions’ in the city of Leeds [see figure 1]. We sought to understand how local anchors can use their procurement spend to create positive local economic impacts that support a more equal, resilient, and thriving city. While recent research (Selviaridis, et al., 2023) has highlighted the potential for such organisations to use their supply chains as policy levers for delivering ‘social value’, little is known yet about the practical challenges and opportunities for using procurement

in this way. Our research addresses this gap through a qualitative study of the Leeds Anchor Network, focusing on the barriers and challenges for leveraging supply chains to enhance economic resilience, support communities and pave the way for a more robust and thriving city.

The overall picture is that public procurement within the Leeds Anchor Network is not yet realising its considerable potential for improving the local economy and the wellbeing of local people. We identify five major barriers and challenges: lack of resources, contradictory legislation, competing organisational priorities, (lack of) clarity of vision, and the difficulty of linking procurement practice with wider systemic thinking about the local economy. But there are opportunities to work differently. We offer three recommendations for the Leeds Anchor Network, aimed at helping leaders and practitioners clarify their objectives and put people and place at the centre of public procurement.

In this report, we firstly briefly set out our research context, before situating the project conceptually in ideas from ‘community wealth-building’ (CWB) to show how public procurement could deliver local economic impacts. After summarising our research methods, we then explore our key findings across our five themes in different dimensions of procurement practice. We end the report with policy recommendations drawing from the analysis.





1.1 Research context



In many cities we have seen anchors join collaborative partnerships to work together on developing more transformative strategic local place leadership. In Leeds, the Leeds Anchors network was established in 2018 after work with the Joseph Rowntree Foundation (Devins, et al., 2017), which furnished the member organisations with a Progression Framework (Newby and Denison, 2020) to support self-assessment across five key areas of anchor working: good employment, progressive procurement, environmental action, improved service delivery, and corporate and civic behaviours. Leeds Anchors has grown to a current membership of 15 anchor organisations that employ over 58,000 workers, including the city council, local NHS trusts, universities and colleges, utilities providers, and others.

The network is a key delivery mechanism for the local council’s Inclusive Growth Strategy and its Best City ambition (Leeds City Council, 2023a, 2023b) and will likely play an important role in future Local Growth Plans as part of the UK government’s

devolution plans (Ministry of Housing, Communities & Local Government, 2024). Previous analyses have shown the significant spending power of local anchors in Leeds: in 2015/16 ten anchors spent £1.4 billion a year procuring goods and services (Devins, et al., 2017), and in 2017/18 six anchors spent over £1.2 billion, about half of which is spent locally in Leeds (48%) or West Yorkshire (52%) (CLES, 2019)<sup>1</sup>. Altogether, the 15 anchor members spend more than £2 billion per annum, representing a large chunk of the total Leeds economy of around £26.3 billion per annum. More recently the Leeds Anchors have been joined by a Leeds Business Anchors network in 2023, and an independent Leeds Community Anchors Network was launched in 2022 that brings together voluntary, social and charitable enterprises.

The implementation of the Procurement Act in February 2025 provided a timely opportunity to investigate how public procurement can support local economic resilience. A key provision of this legislation, highlighted in a recent government policy note (Cabinet Office, 2025), is the flexibility

<sup>1</sup> Although see our critique of how ‘local’ spend is defined in section 4.4 below

for organisations to design their own procurement processes, which may enable small and social enterprises to be more competitive bidding for public contracts if used effectively by procurement practitioners (see Local Government Association, et al., 2024).

Meanwhile, we have seen local procurement become a key part of Community Wealth-Building (CWB) (CLES, 2024; Goodwin, et al., 2020), a local economic development approach aimed at keeping wealth circulating within local economies. Instead of chasing inward investment, which they argue results in wealth ‘leaking’ out of local economies, proponents of CWB aim to develop existing capabilities and potentials within places. Importantly, this is also seen as a stepping-stone toward deeper transformation for a more democratic economy, with anchor institutions’ procurement spend helping to nurture resilient local ecosystems of community-minded cooperatives, social enterprises and SMEs that circulate wealth locally and use their surplus in socially useful ways.

We set out to understand whether these principles can be advanced further in Leeds, and what might prevent this. The anchor network has introduced some principles for local procurement, but more could be done to develop their positive local impacts by deepening these principles and really embedding them into their supply chains. Achieving such goals requires engagement with the practical work of procurement. Increasing local spend and delivering social value relies on procurement’s technical aspects, like cost thresholds, tender specifications, scoring systems, contract monitoring, working with purchasing consortia, and so on. But to support change, these technical elements need to relate to clear wider objectives and strategic rethinking around the public purpose of public procurement. In turn, this requires reckoning with the complex and contradictory ways procurement interacts with the composition of local and national market economies, legislative environments, and wider organisational priorities. This report aims to support this strategic rethinking to help anchor organisations in Leeds and elsewhere deliver more resilient, democratic and flourishing local places.

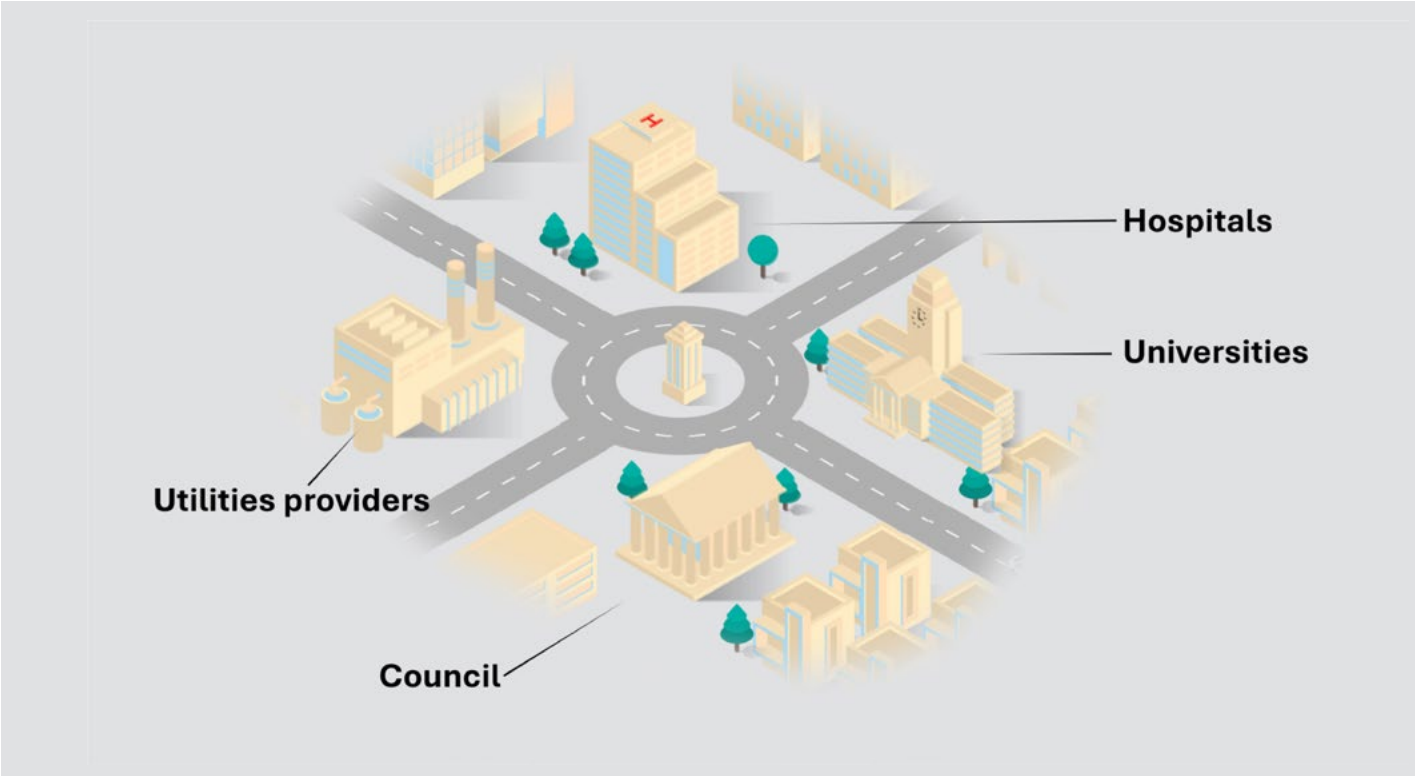


Figure 1: Key anchor institutions in the local place



## 2. Public procurement for public purpose

Public procurement in the UK has long been dominated by a competitive private market paradigm, since the introduction of compulsory competitive tendering (CCT) in 1980, which required contracting authorities to compare the cost of in-house service provision against private sector bidders. Although modified in 1997 with the ‘best value’ framework that allowed more flexibility to emphasise quality rather than solely cost factors, the UK’s ‘public services industry’ as a space for competitive private enterprise had grown to the largest in the world by 2008 (relative to population, second in the world only to the United States in gross value) (Julius, 2008). However, particularly over the past decade, experiences with larger private providers and suppliers have deteriorated, breaking up this consensus both as failures mounted and as the long-term structural problems of private provision of certain goods and services became apparent. CCT did result in cost reductions, especially at the initial stage of outsourcing contracts, but also led to loss of public sector capabilities, increased bureaucratic complexity, and failures of democratic accountability (Mazzucato and Wainwright, 2024; Mazzucato, et al., 2025). Davies, et al. (2018) highlight the collapse of Carillion, one of the biggest government contractors, as a key moment. The dominance of the efficiency paradigm has also long been linked with corruption (Fazekas, et al., 2021), highlighted recently with

scandals involving government procurement during the Covid-19 pandemic (Transparency International UK, 2024). It has increasingly been recognised in recent years that these procurement regimes have failed to deliver public value, neither in social terms nor often even in narrow terms of cost benefits for the public purse (Davies, et al., 2018; Mazzucato, et al., 2025).

Governments have therefore more recently sought to introduce regulations to improve effectiveness and better manage risk, by devising ways to use public procurement as a policy mechanism that benefits local communities (Wontner, et al., 2020; Wright, et al., 2025). The main way these benefits are leveraged, which the Procurement Act 2023 (effective from February 2025) takes greater account of, is a ‘social value’ approach, requiring contracting authorities to consider the economic, social and environmental wellbeing impacts of their procurement spend. This provides a partial counterbalance to these challenges by easing the overwhelming emphasis on cost considerations, potentially softening the extractive dynamics of competitive enterprises’ access to stable, low-risk taxpayer-funded demand. Brought in with the Public Services (Social Value) Act 2012 (in Scotland these are instead ‘community benefit’ requirements, in the Procurement Reform (Scotland) Act 2014), this approach lacked specific guidance on how to measure such social value until the recent

Procurement Policy Note (PPN) 06/20 strengthened it with a ‘model’ that requires public tenders to apply a minimum 10% weighting for social value over a certain price threshold.

PPN 002 sets out how this applies under the Procurement Act 2023, which otherwise streamlines regulations to bring more SMEs, charities and social enterprises into competition for government contracts (Government Commercial Function, 2024). The new act was introduced in February 2025 alongside guidance (in the form of the National Procurement Policy Statement (NPPS), which authorities are required to ‘have regard to’) tasking procuring authorities with delivering social and economic value that “supports the Government’s missions” and takes account of “priorities in local and regional economic growth plans”. We discuss some limitations of this approach in section 4.2.

These changes have been reflected in recent research on public procurement’s capacity to enact wider policy objectives (Grandia and Meehan, 2017; Wontner, et al., 2020; Wright, et al., 2025). Abundant earlier scholarship focused on procurement as a demand-side tool for spurring private sector innovation (Edler and Georghiou, 2007; Uyarra and Flanagan, 2010). But a growing literature has increasingly considered non-commercial values and outcomes, including place-based development strategies (Day and Merkert, 2023; Eckersley, et al., 2023), driving sustainability innovation (Preuss, 2007; Alhola, et al., 2018), and supporting social enterprises (Choi and Park, 2021; Selviaridis and Spring, 2022).

Research has also paid attention to the internal processes of procurement (Mebrate and Shumet, 2024; Patrucco, et al., 2024), highlighting why researchers should study “not only what governments buy but also how governments buy” (Demircioglu and Vivona, 2021: 391). Selviaridis, et al. (2023), for example, highlight the relevance of procurement’s organisational aspects to delivery of social value, including how abstract objectives are translated into specific activities, how organisations collaborate in local networks, how social value is

tailored to specific procurement situations, how organisations engage with suppliers and third-party expertise, and how they assess contract performance and measure social outcomes. Selviaridis, et al. (2023) also stress the role of anchor institutions, which can pursue place-based strategies that align their social value procurement aims with their wider commitments to local social welfare.

Recent research attention on how public procurement can reinvigorate and reshape local economies has also come from the think tank sector, particularly as part of the policy suite of community wealth-building (CLES, 2024; Goodwin, et al., 2020). Led by the well-known ‘Preston Model’, several councils have experimented with its central approach of redirecting spending toward the local economy (Brown and Jones, 2021; Guinan and O’Neill, 2020). The CWB approach is marked by a particular emphasis on rejecting regional growth models based on chasing inward investment, which is deemed to result in wealth being extracted from local places, leaving their communities depleted of assets and capacity (Whyman, 2021). CWB instead aims to keep wealth circulating within local economies, by mobilising and developing under-utilised local assets and capacities, “to expand local economic activity while ensuring that much of the resulting gains are retained and anchored in place, to the benefit of the local community” (Whyman, 2021: 129).

A key point of leverage here is the spending power of local anchor institutions as key players in local economies, and by extension local economic policy (Webber and Karlström, 2009). Local procurement can create two forms of ‘ripple effect’ in the local economy. Firstly, there is a direct economic ripple: for example, local businesses who win public contracts can employ more people, who in turn will have more spending power, which they can then spend in the local economy if thriving local options are available (Brown and Jones, 2021). Suppliers can also spend locally for their own needs, thus further reducing leakage and strengthening the



stability of local supply chains (Whyman, 2021). Together this could generate broader market-driven benefits through attracting skilled workers to an area that spends strongly in its local economy and is thus creating attractive independent enterprises (Whyman, 2021). Second, this process can engender and spread a cultural shift among the public sector and business community, “allowing conventional thinking on the use of existing resources and the reliance on external investment to be challenged and rethought” (Brown and Jones, 2021: 64-65).

The aim for progressive procurement in a CWB context, however, is not only to spend locally, but to use that as an opportunity for advancing wider social objectives. CLES’s (2024) definition of community wealth-building, for example, positions ‘progressive procurement of goods and services’ alongside four other tightly enmeshed strategic ‘pillars’:

- plural ownership of the economy, including alternative forms of ownership revolving around worker cooperatives and other community-owned assets;
- fair employment, improving the balance of employment conditions and relations in favour of workers;
- making finance work for local places, through community development financial institutions that support plural local ownership; and
- socially productive use of land, instead of focusing solely on profit- and growth-generating uses.

Taken together they offer a framework not only for alleviating poverty and strengthening local resilience but also more forward-looking goals of democratising the economy and dealing with more fundamental questions of ownership and

control. In this sense, increasing local wealth and investment through public procurement functions as a springboard for wider economic systems transformation. In particular, the social economy is seen as an important recipient for recirculating local wealth, especially where worker cooperatives and other forms of non-profit community enterprise can fill gaps in local supply chains or local public services (Brown and Jones, 2021). A central premise of CWB’s progressive procurement approach is to also transform the make-up of the private sector (Guinan and O’Neill, 2020), for example by requiring suppliers to offer the Real Living Wage and hire local workers, or requiring locally and ethically sourced materials.

CLES suggest procurement can be a point of unification for anchor institutions that helps integrate them into a wider CWB programme, developed on through networks that help configure their

activities, generate collective buy-in for place-based ethical commitments, and mobilise them through a ‘whole systems’ approach to the local economy (Goodwin, et al., 2020). Networks of anchors engaged in localised procurement can create “recirculatory local multipliers” (Brown and Jones, 2021: 19) that strengthen local economic resilience and encourage further transformative initiatives beyond the procurement process, such as directing anchor institutions’ pension fund investments toward local priorities, or setting up community-oriented institutions like Cooperative Development Agencies (Whyman, 2021). Thus, Brown and Jones (2021: 21) stress that reconfiguring the purpose of public procurement is “not merely about tinkering at the edges of existing systems”. Instead, public procurement is a strategic entry-point for addressing overarching social, political and economic challenges and rethinking their foundations.





### 3. Methods

Our study took the form of a case study of anchor institutions in Leeds. Leeds is one of the UK’s core cities, a fast-growing city with relatively stable industrial growth, a strong community sector, ongoing regeneration plans, and strong existing networks and governance partnerships (Devins, et al., 2017; Leeds City Council, 2023a). However, like the rest of the North of England it receives much lower levels of public and private investment, especially in key infrastructure like transport, than its counterparts in the South-East, despite recent promises of ‘levelling up’ (Fai and Tomlinson, 2023). We thus see Leeds as a relatively ‘ordinary’ city positioned somewhere between the UK’s economic centre of gravity in London, and the stagnating towns and cities of the periphery, captured in current debates on regional inequality and ‘left behind’ places (Pike, et al., 2024). While Leeds overall is experiencing growth, there are significant levels of concentrated deprivation within the city (Edmiston, et al., 2022; Hodkinson, et al., 2016; Institute of Health Equity, 2024).

We conducted 25 qualitative, semi-structured interviews with 28 participants. We interviewed procurement and commercial managers and staff, as well as some senior leaders, representing 11 of the anchor network’s 15 member organisations, with a comparative perspective provided by two

‘community wealth-building’ officers in local authorities outside Leeds. Our questions were designed to surface underlying factors that shape organisational decision-making, including practitioners’ interpretations of policy and institutional mission, internal cultures and practices, and the wider economic and political dynamics in which they are embedded. Although we sought a representative sample, our interviewees were more heavily weighted toward the higher education and healthcare sectors, with fewer interviewees from the local authority and other anchor institutions [Figures 2-3]. Universities are particularly over-represented in our sample, which we attribute to three factors: their organisational cultures and openness to research input, our ‘insider’ position as university researchers ourselves, and a reflection of the widely variant administrative resources across the anchor network.

We analysed interview transcripts in three iterative rounds of qualitative coding, in which we developed a data structure that identified key challenges, drew out their contradictions and the ways procurement practitioners are drawn in different directions, and then mapped these to overarching themes that progress our analysis toward generalisable ideas applicable in other contexts. We outline these findings in the following section.

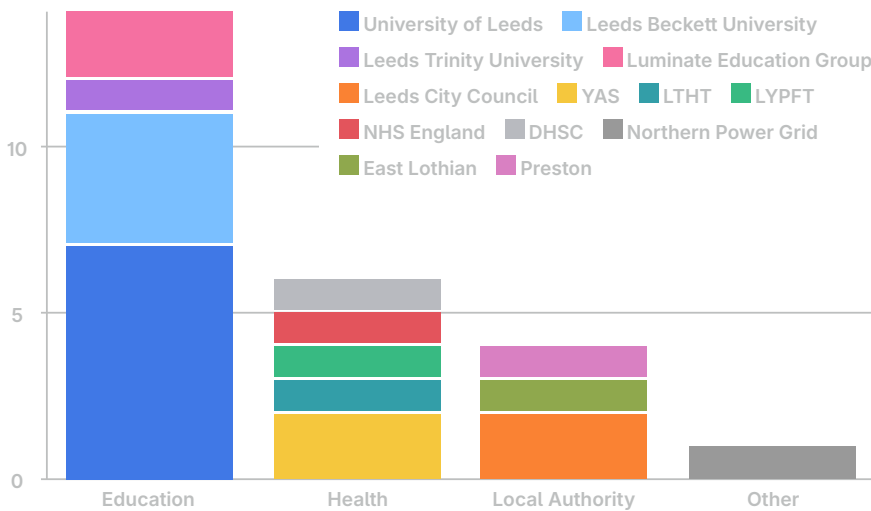


Figure 2: Data sources by sector

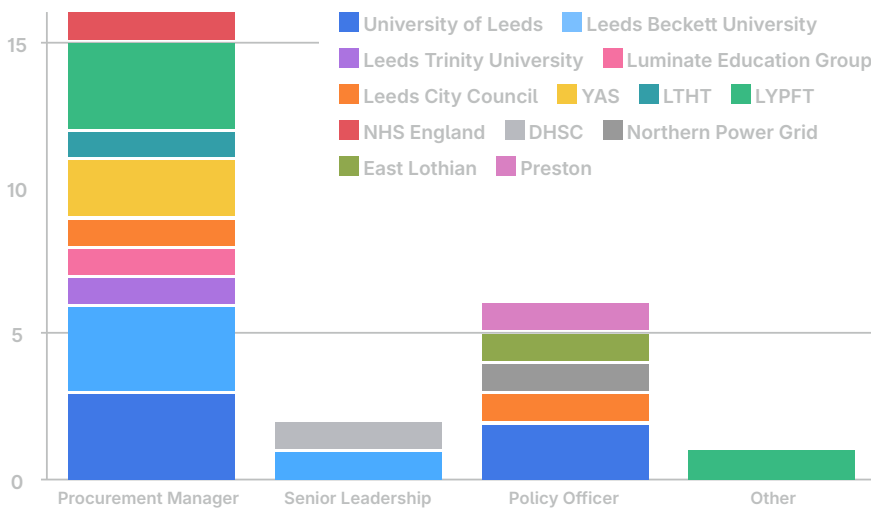


Figure 3: Data sources by role





## 4. Project findings: Barriers and challenges for public procurement for public purpose



Our research participants were keen to stress the prior impact of the Leeds Anchors network, and pointed to positive progress on data sharing, shared values and buy-in. The substance of our analysis in this section, however, focuses on the challenges faced in further leveraging public procurement for (local) public value. We analyse these challenges by classing them into five sets of intersecting barriers or trade-offs. The first three we characterise as contradictions, showing where practitioners are pulled in contrary directions by competing priorities and regulations. These are:

- Lack of resources
- Systemic contradictions in policy and legislation
- Competing organisational priorities

The second two we develop from gap analysis, aiming to pinpoint what practitioners currently lack. They are:

- Clarity of vision, definitions and leadership
- Wider systemic thinking and planning

Although procurement practices and policies differ across organisations, in the below analysis, we have omitted these distinctions to distil the key commonalities and shared challenges. In thinking through these challenges, we also identified opportunities for anchors to catalyse change through their procurement activity: these form the basis for policy recommendations in the final section of this report.

ANCHOR ORGANISATIONS STRUGGLE WITH A LACK OF RESOURCES TO PURSUE MORE LOCAL AND SOCIALLY IMPACTFUL PROCUREMENT SPENDING. THIS IMPACTS NOT ONLY TOTAL SPEND BUT ALSO CAPACITY TO PURSUE GOALS RELATED TO LOCAL PROGRESSIVE PROCUREMENT, INCLUDING ENGAGEMENT WITH SUPPLIERS AND OTHER STAKEHOLDERS, AND MONITORING CONTRACTS.

Increasing financial pressure in the public sector means procurement strategies for public value are not easily prioritised. Although efforts are made to favour local firms under the Leeds Anchors’ framework, this is made difficult by current budget pressures, and the ways that social objectives in public procurement fundamentally challenge its incumbent commercial logics (Lonsdale and Le Mesurier, 2024). Smaller budgets due to public sector austerity and rising costs mean it is proportionally harder to award local suppliers a bigger slice of the public procurement pie. Rising cost pressures mean that local social value commitments are likely to remain relatively low priority for increased resourcing, as both procuring organisations and suppliers recalibrate to reduce outgoings (Wontner, et al., 2020). Some anchors like NHS trusts and the Council also operate under stricter legal spending conditions, and are thus not easily able to prioritise local and progressive procurement strategies while the focus remains relentlessly on cutting costs.

Most anchors identify a trade-off between the impact delivered through suppliers’ social value commitments, and ‘traditional’ commercial criteria of cost and quality (see Wontner, et al., 2020). Although social value is premised on added-value from suppliers, that is, on no additional cost to the public sector, our participants revealed there usually are cost implications (whether perceived or real), either because suppliers will cost social value offers into their bids or simply because social value weighting in tender scoring can soften aggressive focus on the commercial weighting:

**“There’s always perceived or real costs .... So you’d have to, as an organisation, make that decision. You’d have to make that decision where cost is not the important thing. So far, that’s never happened to my knowledge. I think it’s the luxury of being able to afford what you’d really like, as opposed to, yeah, we’d really like it but we cannot afford. We can’t afford it.”**

(Procurement manager, education)

This varies across organisations, and we found that some anchor institutions are better placed, thanks to more independent revenue profiles and less restrictive regulatory conditions, to prioritise quality over cost in spending decisions, which allows for greater leeway to leverage social impacts. Smaller anchors, however, struggle to mobilise the necessary resources to think beyond the traditional procurement role of ensuring compliance and value for money. But this variation between organisations can itself constitute a challenge:

**“The university is very, very keen to ethically be doing the right thing. Very. To the degree that if it commercially doesn’t necessarily make sense, but it’s affordable, then we’ll do it. And that’s where it becomes difficult, when we are collaborating with people that, like Leeds City Council, are very commercially driven at the moment, and are very strapped for cash, as are the NHS. And sometimes it doesn’t necessarily help us collaborate and can be a blocker.”**

(Procurement manager, education)



Similarly, smaller anchors point out that robust social value requirements make them unattractive to bidders because their contracts are smaller, limiting their flexibility. National organisations linked to the anchor network face their own challenges in this regard, because they lack a formal rationale for directing their spend or social value toward Leeds in particular.

There are also some internal dilemmas to cost considerations related to the composition of public procurement. Larger contracts through open tenders mean more targeted questions can be asked of prospective suppliers, and their overall impact is potentially greater, but the requirement for fair competition when tendering openly makes it harder to privilege local suppliers, SMEs and VCSEs. On the other hand, costs under threshold potentially allow more flexibility to consider those local suppliers, but there is less potential leverage available, for various reasons: there is no mandated social value add-on; impactful social commitments will be proportionately higher cost to the supplier; smaller suppliers have less overall capacity to deliver more impactful commitments; and procurement teams themselves typically refrain from exerting more pressure on smaller suppliers because of the principles of relevance and proportionality in legislation and standard practice:

**“If it’s just quotes, then you’re effectively making your decision based only on price and it’s the lowest wins. And it doesn’t give you then an opportunity to, you know, to look at the qualitative measures and other things like social value and the role that that organisation plays in the region ... When you’re doing something for £30,000 though, making social value meaningful can sometimes be impossible.”**  
(Procurement manager, education)

Some organisations are looking to secure cost savings by aggregating some spend. This can have

some local economic benefit, in that consolidating from individual purchases into bulk can create volume commitments with a single supplier, to the benefit of a local business. However, at higher scales, consolidation for price savings risks driving smaller businesses out of consideration as prices mount towards requiring open competitive tenders. The small social value weighting, meanwhile, means there is only scope for generating competition and innovation in that area when there is little variation in cost and quality, which limits more impactful spend to relatively standardised products and services. There may be a case, therefore, for increasing the social value weighting from the 10% minimum: this is practiced in places like Preston, but anchors in Leeds largely expressed reluctance about it.

Limited resources also constrain staff capacity. As procurement team sizes shrink (in some cases), practitioners have reduced time to drive organisational change and develop opportunities to leverage and deepen local impacts. This conflicts, for example, with the drive to spend with more local SMEs, which likely means managing more contracts with fewer staff, and thus less time spent tailoring social value questions for maximum impact. Some UK councils have been able to employ a dedicated community wealth-building officer, for example, but limited resources make this difficult in the context of Leeds:

**“You know, I might think about it for a few minutes a week. I think, oh, that would be great. But I don’t have the sort of time to sit down and convene that because I’m far more worried about these other, more pressing crises that are more financially risky for the university and I think need solving first.”**  
(Commercial manager, education)

These challenges also disproportionately affect the organisations with fewer resources: our observation was that the spend ratio between the smallest and

largest anchors was about four times smaller than the difference in procurement team size.

A frequent complaint from our participants involved lacking capacity to monitor contracts, especially to follow up social value commitments and measure their impacts. Organisations find it difficult to benchmark and show progress, making it harder to understand how to improve their local impact. There is some optimism that new IT systems can automate some monitoring processes like information-sharing, resources remain lacking to effectively hold suppliers to their social value commitments. Lack of a robust monitoring process limits the leverage that anchors can exercise (see Bengo, 2018; Selviaridis, et al., 2023). In some cases, we even heard of resource constraints directly limiting the realisation of social value offers, partly because staff had not been able to match offers to actual needs: for example, offers to talk to students going unmet because departments have not been able to organise them appropriately.

Limited staff capacity also means heavier reliance in some cases on purchasing consortia that take advantage of pooled procurement expertise and capacity. Those frameworks limit the influence that anchor organisations can have on suppliers’ social value, because that influence is usually only exercised at the initial tender stage, rather than when contracts are called off, and purchasers therefore have little insight into, and little ability to monitor, their realisation.

A final difficulty around resources that participants identified is the need for local investment to catalyse local capacity to fulfil more of the procurement demand among anchors. Local organisations themselves, however, struggle to simultaneously furnish demand and supply side interventions, and it is largely outside the remit of procurement teams on their own to link social value outcomes of procurement to complementary local economic resilience mechanisms like directly boosting local industrial capacity.





## 4.2 Systemic contradictions in policy and legislation

INTERNAL CONTRADICTIONS OF PROCUREMENT LEGISLATION INHIBIT PROGRESSIVE LOCAL PROCUREMENT PRACTICES. MANY PARTICIPANTS SEE REGULATIONS THAT PRESCRIBE COMPETITION, TRANSPARENCY AND FAIRNESS, AS IN TENSION WITH POLICY GUIDANCE THAT SUPPORTS AIMS TO SPEND MORE LOCALLY OR WITH MORE SMES AND VCSES.

Public procurement legislation is primarily geared toward facilitating international free trade agreements, based on a logic that each member of a trading bloc reciprocally opens its public sector as a market for each other’s enterprises, thereby giving domestic suppliers access to foreign public sector markets (Schwartz, 2003). This frames the regulatory focus on open competition through principles of ‘fairness’ (that is, any firm from a trading nation should have an equal chance to compete) and ‘transparency’ (those equal chances should be subject to legal challenge over ‘arbitrary’ considerations such as localist bias). Requirements for competitive tendering over a certain cost threshold offer protection for non-domestic enterprises, not primarily because an open market environment in the UK’s public sector is supposed to drive down costs or deliver innovation and efficiency, but rather to support widened market access for firms across a trading bloc (Corvaglia, 2016; Schwartz, 2003). As Wright, et al. (2025) point out, ideas of economic or social value in public procurement have long been a conflicting ideological battleground in UK public policy.

It is no surprise, then, that many of our research participants saw a contradiction between traditional procurement regulations around free competition, transparency and fairness, and more recent policy guidance aimed at leveraging social value and supporting SMEs and VCSEs, as well as the policy steer from Leeds Anchors to buy locally:

**“It’s difficult to find a balance when you’ve got all these different requirements from the government and from NHS England and on down, and from legislation, etc. that all contradict each other in some way or another. I think it’s really difficult to find that balance from our end, and there are those contradictions in trying to buy locally whilst trying to tick those boxes nationally. It is always going to create headaches.”**

(Procurement manager, health)

Spending with more local firms fundamentally conflicts with these overarching (and often rather hidden) principles behind public procurement legislation. When they conflict, strict adherence to the primary legislation is always likely to take priority:

**“Although we would try really hard, if the legislation doesn’t say that we have to do it, then we’ve got an out for not doing it. So I’m not saying we would actually try and find the out first before trying to do the good thing, but it’s there and the pressure isn’t on to do it. .... And the legislation, when it does apply, isn’t that stringent, really. It is for other stuff like the transparency notices that doesn’t benefit anybody apart from the system for capturing data. And the things that are important to the Procurement Policy Notice, despite the fact that it’s a political thing, has a good intention, is not mandated. It’s not mandated, we just have to think about it.”**

(Procurement manager, education)

A central limiting consideration is the degree to which undertaking local and socially impactful procurement opens up risks, particularly in terms of scrutiny and compliance over ‘fair’ procurement competition:

**“If we don’t justify it and we can’t articulate why we’ve done that properly, we leave ourselves open to challenge from the marketplace on a large scale. Because we’ve got so much transparency now. And we’re open to real scrutiny. ... We all welcome a little bit more flexibility and opportunity to procure locally, but as I say, it still will leave us open to challenge if we’ve not done it for the right reasons.”**

(Procurement manager, health)

There is a strong risk-aversion in public procurement, especially under strained financial conditions (Selviaridis, et al., 2023; Wontner, et al., 2020). The transparency requirements thus also limit the capacity for procurement teams to shape local markets by designing contracts that match supplier capacity with real demands in the local area, because of the risk of being perceived to have structured tenders around particular suppliers and getting wrapped up in legal challenges.

Arguably these fair-sounding terms in procurement legislation mask larger political economic forces that may prevent fairness, making it harder for smaller domestic entities to compete on an equal playing field. Thus, by design, the social value parts of the legislation can feel, as Millthorne, et al. (2025: n.p.) suggest, “more transactional than impactful”, narrowing over time to little more than a “tick-box exercise” that larger suppliers can game to minimise commitments to impactful community benefits,

whether by employing dedicated bid writers to furnish corporate social responsibility statements into social value offers, or by outcompeting on price enough that a minimally acceptable social value score does not jeopardise their bid. Consequently, we see a proliferation of what some practitioners identified as ‘generic’ social value statements:

**“In some of the thinking about social value, what often strikes me is that it almost comes across as a little bit box ticking. It’s slightly irrelevant. A lot of the statements that you hear about when a social value statement is being requested in a tender for instance, the kinds of things that are being proposed by suppliers. You know, we’ll give a talk at a school or stuff like that. And I think how much is that impacting the local community, really?”**

(Policy officer, local government)

The social value regulations are also limited by the implicit requirement for procurers to balance other conflicting principles, largely because the legislation itself does not fundamentally resolve the inherent tension between its economic and social principles (Wright, et al., 2025). For example, a central concept in social value is additionality: that criteria should not be part of the core service delivery. But the social value model simultaneously cautions that proportionality and relevance principles mean criteria should be “framed specifically having regard to the nature, complexity and cost of the contract, and designed to meet the requirement and not go beyond this” (PPN 002). Functionally this means procurement practitioners must match and balance additionality to the goods or services themselves, meaning the additionality is ultimately constrained.





Recent critical analysis suggests provisions like this mean the legislation lacks “strategic coherence with wider goals” and undermines “long-term strategic ambition” (Mazzucato, et al., 2025: 22). Procurement services have thus tended to see their role in merely technical terms, focused on minimising costs, managing risks, and ensuring compliance, and considering social value only to the extent that regulations insist (Mazzucato and Wainwright, 2024). In Leeds, there is limited ambition to creatively navigate flexibilities in the regulations, compounded by practitioners feeling they have limited autonomy themselves to pursue social objectives outside of their strict organisational remit:

**“The problem with our pretty central procurement role is, we are tasked with saving the university money. We’re never told really what the budget is for anything. We’re not included in the financial planning. We’re just not involved in anything wider than ‘this is what we need you to put the contract in place for’. ... I’m very aware of social value, very aware of sustainability, modern slavery, etc. I’m aware of all these things. It isn’t really my role. I’m told what is important to us.”**

(Procurement manager, education)

One potential fix for these challenges, that some participants pointed out, would be more robust local regulations and planning that can help practitioners situate their procurement roles in a better-understood wider strategic context. We expand on this points 4.4 and 4.5 below. The government’s new devolution bill (Ministry of Housing, Communities & Local Government, 2024) may contain provisions around local economic strategy that anchors can collectively tap into – particularly given that a key strength of anchor organisations is in their capacity for wider strategizing and supply chain planning. At present, however, systems for local regulation remain fragmented and under-developed, and lack a firm legislative basis.



### 4.3 Competing organisational and structural priorities

PROCUREMENT IS A COMPLEX PRACTICE, AND IN THE CONTEXT OF ANCHOR ORGANISATIONS TAKES PLACE WITHIN COMPLEX INSTITUTIONAL ENVIRONMENTS. COMPETING PRIORITIES WITHIN AND BETWEEN ORGANISATIONS PRESENT CHALLENGES FOR PROGRESSIVE LOCAL PROCUREMENT, PULLING PROCUREMENT PRACTITIONERS IN CONFLICTING DIRECTIONS. THIS LIMITS HOW MUCH SOCIAL AND ECONOMIC IMPACTS CAN BE A FOCUS FOR PUBLIC PROCUREMENT.

One of the biggest challenges in terms of prioritising local markets is the level of technical specification for goods, especially in technologically complex sectors like healthcare and research. Reshaping the geography of existing supply chains is not easy, especially for highly specialised goods and services that depend on extensive economies of scale (Day and Merkert, 2023; Eckersley, et al., 2023):

**“So market specific, anything medical products wise is quite difficult because we generally are working under national frameworks to national guidelines and the industry itself is quite a mature industry and it takes a lot of investment to get up and running.”**  
(Procurement manager, health)

The Leeds Anchors strategy has therefore largely depended on ‘discretionary’ spend, which varies greatly across organisations and between economic sectors. Technical requirements are particularly salient in relation to risk, especially for sectors like health where end-user outcomes have little room for failure:

**“We are a health organization first. Say we trial something or we give something a shot as it were. And say we take a risk on that and it goes badly wrong. We are not just, you know, building a TV wrong. We’re actually causing serious harm or death to somebody, so it makes us quite a risk averse organization. You know, the output of an error, either in a product or service for us could mean somebody dies and that’s quite challenging ... we won’t just give it a try here.”**  
(Procurement manager, health)

A similar safety implication relates to existing stakeholder preference, where for example clinicians might push back on shifting spend if preferred products are replaced in ways that potentially disrupt clinical workflows. In other cases deeply entrenched user preference makes it difficult to leverage local social impacts, for example in IT systems where it is costly to switch and retrain staff, and organisations are tied into licensing software from multinational tech corporations, often through reseller organisations that afford little opportunity to influence the vendor on social value.

Other challenges relate to organisations managing supply chain risks. For larger contracts, for example, anchors are wary of awarding for over a certain percentage of a supplier’s turnover, limiting the pool of potential suppliers. From a procurement perspective, a supplier going into liquidation is a much worse outcome than failure to deliver in terms of social value and local spend. In sectors like construction, suppliers operate on thin margins and short-term delivery timelines, sharpening the risk profile and demanding more energy to monitor and manage, again reducing available capacity to leverage those contracts for community benefit:

**“You might start off with these lofty ambitions of, right, we’re going to do this or that on social value. We’re going to measure this on economic impact. But actually, once you’re on the ground and you’ve got your Dean of whichever faculty shouting that, you know, your project’s leaking onto their academics on the floor below or it’s running two months behind, everyone’s attention is on firefighting that, not on the aspirations you set out with.”**  
(Commercial manager, education)

The same holds true for project timelines, partly for the above reasons of capacity when delivery is under pressure, and partly because the point of leverage for anchors is inherently time-limited to the tender design and restricted beyond the award stage. With some organisations tied into long-term contracts for some larger items of spend, they have to wait until the contract expires and then may have short windows of opportunity to intervene for greater local added-value. Some participants linked this time-pressure to the tendency noted above for ‘generic’ social value outcomes:

**“We’re often approached very late in the day in terms of undertaking procurement activity. Or if we’re ahead of the game and we’re prompting our stakeholders that this contract’s up in 12 months or in 18 months, which is what we try and do, they don’t see the urgency. So you still have the same problem of six months before your contract’s up for renewal, you’ve still got to design your specification, rewrite your specification. You’ve still got to come up with your evaluation criteria. And that’s why we end up defaulting to generic type questions. Because we haven’t given it the time to look at specific sustainable or social value aspects of a contract.”**  
(Commercial manager, health)

A related organisational difficulty is the fragmentation of purchasing responsibility in large institutions. Buyers at different levels have different input and potentially different priorities and different understandings of social value or local and sustainability criteria. For the most part, our research participants identified this as a barrier and stressed ambitions for greater collaboration and coordination between different departments – something limited by organisational resources and capacity. End-user stakeholders hold significant potential to shape social value outcomes through how they frame the quality measures in purchasing requests, but usually have less inclination or training to understand the requirements and wider organisational drives for social and economic impacts. Change processes that can help develop greater collaboration are themselves time-intensive, and only the better-resourced anchors are currently able to dedicate resources to longer-term planning and wider engagement with internal stakeholders. These are in turn slowed down by complex institutional environments and governance arrangements: one research participant likened this process to “changing course on an oil tanker” (Commercial manager, education).





## 4.4. Clarity of vision, definitions and leadership

**PROCUREMENT PRACTITIONERS STRUGGLE WITH THE KEY QUESTION OF HOW TO CONVERT POLICY DIRECTION INTO ACTION. SOME OF THIS COMES DOWN TO PRACTICAL CHALLENGES THAT PROCUREMENT TEAMS ARE BEST EQUIPPED TO RESOLVE, BUT THAT CAN BE SUPPORTED WITH CLEARER GUIDANCE, VISION, AND LEADERSHIP FROM ABOVE.**

Leeds Anchors has driven some change in procurement practice to embed certain social value and local economy objectives, and practitioners understand what the network aims to achieve in general terms. However, many of our participants noted challenges with understanding how to translate those ambitions into practical outcomes:

“I would prefer that things got away from the sort of consultancy way of talking that says, actually, yeah, we’ve got all these fantastic things. And, you know, we can work in this way, we can work that way. But actually, if it doesn’t mean anything, if it doesn’t actually produce anything, then I think it just goes into a loop, because actually people just lose interest.”

(Procurement manager, education)

One significant issue is that the origin point for driving change is uneven across anchors, with most of the (indirect) steer coming from Leeds City Council as part of its Best City and Inclusive Growth policy directives. Much of the anchors’ good practice is being driven by this soft, peer-pressure type of place leadership:

“We thought it was important as much to be sort of seen by the City Council and other strategic partners as wanting to support local economies. ... So, and I’m being completely honest here, you know, Leeds City Council’s a hugely important strategic partner. Being part of Team Leeds is important, but it’s important for our relationship with them as well, and the better our relationship, the fewer hurdles there are when it comes to dealing with some of the big, potentially difficult interfaces between us.”

(Commercial manager, education)

A consequence of relying on this softer, more relationship-based leadership – important as it is – is a tendency to adopt objectives and good practice only to the extent that it matches organisations’ existing priorities. Without deeper discussion and some clarification of those principles, there is a danger of a more watered-down approach creeping in, with only a minority of the anchor members pushing for further improvement and greater impact. This depends, in turn, on particular organisational capacities, composition and cultures: procurement teams are unable to deepen their social objectives independently without organisational buy-in and steer from above, and there are few consequences for not meeting uncertain expectations outside of commercial and legislative parameters. But conversely, senior leadership are not ‘across’ the detailed parts of procurement, and much can be lost in translation between a more general organisational buy-in to the anchor principles at an executive level and careful consideration of process at the operational level. By implication, changes in procurement strategies cannot be driven by procurement alone, and leaders must develop mechanisms for embedding clarity of vision throughout the organisation.

One of the areas this lack of clarity was most clearly seen in our research is in how ‘local’ spend and ‘social value’ objectives are defined. Several scholars have pointed out that although public management has implemented ideas of incorporating wider social, environmental and economic benefits, the sector still lacks a coherent definition of social value (Selviaridis, et al. 2023). In terms of social value, this is partly because the relevant legislation itself lacks a clear definition, resting on loose categories of economic, social and environmental benefits, a vagueness that creates confusion and hinders practical implementation and outcomes (Wright, et al., 2025). Thus, we find that in the Leeds Anchors context, social objectives have mainly been translated into relatively modest goals around employability and skills, sustainability, and local sourcing of goods and services, with less emphasis on deriving direct

benefits for local communities. This is reflected in institutional difficulties in translating strategic plans for social value into concrete deliverables, as well as struggling to hit on appropriate organisational structures (Jain et al., 2020). Addressing those shortfalls, Selviaridis, et al. (2023) suggest ways social value considerations can be embedded at different stages of the procurement process, including a) consulting with stakeholders when identifying supply needs; b) making social objectives an explicit part of selection criteria; c) considering a wider supplier market including social enterprises as suppliers, monitors, and sponsors; d) embedded social clauses in contract design and ongoing monitoring; and e) developing a wider institutional context through targeted policies.

Our research suggests these solutions are inadequate, as all but one (c) are already standard practice in the Leeds Anchors network context. We instead found that there is variation over how anchors have understood and interpreted the relevant social value elements in procurement legislation, particularly the new regulations, and thus have not only glossed over the social economy element, but also have different views on what the legislation actually instructs or allows (compounded, of course, by the way anchors come under different regulatory regimes, and by the way the policy guidance itself lacks clarity, as we suggested above). We therefore suggest that a key driver comes prior to process-based solutions: clearer definitions and understanding regarding (local) social and economic objectives that give them substance, meaning and impact when embedded in procurement processes.

In relation to the social economy, the Government’s NPPS in February 2025 potentially gives clearer guidance on local benefit and better incorporating VCSEs alongside SMEs, but this has not yet been firmly taken up in the organisations we researched. The challenges surrounding VCSEs and other community-minded enterprises (see e.g. Craig and White, 2025; Local Government Association, et al., 2024) have thus far been lumped in with a more





general view of SMEs, even if they may have more inherent social value built into the nature of their business structure.

Regarding ‘local’ spend, meanwhile, participants pointed out how evasive it is to measure:

**“It’s kind of the geography of things, but like what counts as local? Is it where the revenue is going? Is it where the materials are? Is it where the staff are? Is it where a building is? People want to spend locally but they actually don’t know what that means. You know, like Johnson & Johnson. Gigantic, multinational corporation. Well, they have an office here in Leeds. I don’t know if it’s in Leeds or nearby. That doesn’t necessarily mean it’s a local company or something like that. They might employ people locally, but if you’re awarding a contract to them, the profit from that contract that they’re making as a business is not staying here, is it?”**

(Procurement manager, health)

A frequent theme raised in our interviews was regarding the often unclear geographical composition and distribution of firms and supply chains. For example, Leeds hosts a significant staff presence for several large transnational corporations, but most practitioners agree this would be a poor measure, and that such firms are less likely to deliver wider benefits to the local area beyond being local employers. Firms headquartered in Leeds might still be owned as subsidiaries in larger conglomerates or shell corporations that send profits and structured debt payments out of the local area. In the case of the residential social care sector, for instance, the rising charges driving local authority cost pressures are partly driven by enormous financialised profit extraction (See Bayliss and Gideon, 2020). This points to the inadequacy of locality itself as a measure of local impact:

**“The territorial dimension can’t be the only thing. It can’t be the only kind of criteria that you look at. You have to think about to some extent local is kind of a proxy for something else that you want, which is to provide value to the community of Leeds, for instance.”**

(Procurement manager, education)

Better measures that approximate to actual local value would be more complex and difficult to determine; for example, assessing firms’ corporate structure to understand how much of their profits are retained in the local area, or how much of their upstream supply chains keep wealth circulating locally. To some extent more robust definitions of local social value would conflict with organisations’ commercial priorities, returning to the challenges in section 4.1 above, and requiring firmer leadership commitments to embed them (see e.g. Lonsdale and Le Mesurier (2024) on social procurement ‘champions’). In essence, they require organisations to grapple with the underlying principles and commitments behind social procurement and make moral choices about how to interpret relevant legislation and follow the anchor network’s programme (see Wright, et al., 2025)

Both ‘local’ and ‘social value’ objectives are also limited by lacking concrete understanding of real local community requirements. Without a clear sense of actual needs, the social value commitments suppliers enter are frequently general, low-effort and low-impact (Millthorne, et al., 2025). Those of our participants directly involved in procurement practice did express ambitions to improve the impact of these commitments and move beyond a default toolkit of low impact offers, and are making efforts to follow policy guidance to tailor relevant social value questions to specific tenders. Such bespoke efforts would multiply their impact if practitioners had specified requirements to point suppliers towards, whether these are broader needs identified as local wellbeing priorities, or whether they are

specific requests raised by residents themselves. Understanding neighbourhood-level social impact, however, depends on deep ongoing engagement with communities themselves.

What each of these definitional challenges add up to is that despite good intentions, most procurement teams in the anchor network are not currently considering how to deepen their local economic and social commitments and impacts. There is interest in mechanisms that can support a wider pool of local suppliers to be competitive in public tenders, mainly aimed at SMEs. The tendency is to think in terms of technical and bureaucratic solutions, such as dynamic purchasing systems, pipeline notification systems, and new supplier frameworks. But there is little drive to rethink and deepen the vision for local economic change itself, and in some cases even rejection of this:

**“No, I think we’ve established our principles and then we operate by those, because it’s the right thing to do. And that’s it, I think. I don’t think we can go much beyond that.”**

(Senior leader, education)

Yet elsewhere, there is experimentation in deepening local social impacts (Brown and Jones, 2021; CLES, 2019) and attempts to rethink the economics of procurement to align public spending with wider missions for a transformative economy (Mazzucato, et al., 2025). Without clearer leadership on social value and local economic resilience, procurement practice under the Leeds Anchors umbrella risks discarding more difficult and challenging aims and criteria, especially where they conflict with commercial considerations. We consider what some of these aims might be in our fifth, more summative, theme from our data analysis.





4.5 Wider systemic thinking and planning

IN THE CURRENT CHALLENGING ENVIRONMENT, THERE IS LITTLE INCENTIVE TO DO PROCUREMENT DIFFERENTLY TO MEET WIDER SOCIO-ECONOMIC OBJECTIVES, AND LITTLE CAPACITY TO THINK ABOUT HOW EXISTING, MINIMAL REQUIREMENTS TO CONSIDER SOCIAL IMPACTS CONTRIBUTE TO A WIDER ECONOMIC APPROACH THAT BETTER MEETS LOCAL PEOPLE’S NEEDS. TO BETTER LEVERAGE PUBLIC SECTOR PROCUREMENT IN SUPPORT OF LOCAL ECONOMIC RESILIENCE, WIDER SYSTEMIC THINKING IS NECESSARY.

In part, this means linking procurement practice with strategic direction across all forms of organisational activity. Sometimes better positive impacts could be generated by avoiding procurement entirely and considering alternatives to the market, such as in-sourcing, wholly owned subsidiaries, special purpose vehicles, and so on. Fundamentally, organisations are aiming to secure and deliver high quality goods and services in ways that generate positive outcomes and provide solutions to problems, which may mean directing fewer expenses through the procurement process. For decades we have seen large-scale displacement of public provision in favour of private sector delivery, eroding public capabilities (Davies, et al., 2018). Although social value policy has softened this impact, reclaiming public value may be better achieved by reducing the role procurement plays (Millthorne, et al., 2025). Otherwise, it demands fundamentally rethinking procurement’s commercial objectives themselves, as a feature of public spending that proactively aims to shape “market demand for products and services that respond to policy challenges and are likely to contribute to defined policy outcomes” (Mazzucato, et al., 2025: 5). For advocates of CWB, although procurement is often a starting lever, the strategy cannot depend on it alone, because lacklustre public value from procurement would then hinder wider pathways toward reshaping local economies. In either case, greater strategic integration of procurement with wider public policy objectives are necessary.

Thinking about procurement as a thin slice of wider systemic processes through which goods or services reach their point of consumption (see e.g. Schafran, et al., 2020) allows a wider angle

of view, from which procurement has functional interactions with other parts of wider systems for delivering the necessary means for sustaining a good quality of life. In the Leeds context, one of the local policy objectives that came through most strongly in our research was around health. Anchors have previously collaborated with researchers to explore the economic determinants of health inequalities, resulting in work that addressed related local employability and skills gaps (Woodall, et al., 2024). On this basis, a relevant next step would be to address procurement spend not just to locality, but to regional health inequalities:

“I cannot say enough how strongly I feel the role of procurement is not necessarily a geographic thing, but it’s definitely a health inequalities thing, right? So actually, no, I don’t think that our contracts should be supporting the very wealthiest big businesses, the Bank of England, the Asdas, the kind of huge.. If we were awarding monolithic contracts to Asda because they were based in Leeds, I’d see that as a travesty. But I will always link it back to those health inequalities. The actual deprivation itself, where are there strengths and growth? ... I think the problem at the moment is everybody goes into this not really knowing why they’re trying to fix the problem they are.”

(Commercial manager, health)

This could potentially be addressed through local policy statements (see point 5.3 below) that direct procurement practitioners and prospective public sector suppliers to key local problems, highlighting for example geographic concentrations of poor health and their economic drivers, and pointing to under-utilised local assets like land and skills. This means thinking wider, sometimes, than the kinds of process-based or bureaucratic considerations that have to preoccupy procurement practitioners, and thus returns us to the need for a wider leadership drive.

With our analysis above we have aimed to clarify some of the key contradictions and difficulties

for leveraging procurement spend; the barriers within as well as outside the scope of procurement practice itself, including the external forces that shape it, whether legislation, economic conditions, organisational composition, and so on. A critical perspective on these systemic contradictions can help refine thinking about the place of procurement in wider systemic change objectives. To this end, we urge a stronger focus on the role of the social economy, based on understanding how interactions between public provision and socially-beneficial and impactful forms of enterprise can mutually benefit each other’s security, resilience and growth (Fioramonti, 2017; Murtagh, 2018).





## 5. Recommendations



Drawing on the above analysis we have developed three recommendations for enhancing the public purpose of procurement and building local economic resilience through the Leeds Anchors network. While these are tailored as interventions based in Leeds that respond to the specific challenges outlined above, those challenges are generalisable to other places and policymakers and procurement

practitioners can take these recommendations forward both in Leeds and elsewhere. Our first two recommendations are specific suggested projects to be jointly undertaken by the Leeds Anchors network; the third recommendation offers some more general suggestions for a new strategic orientation to deepening procurement's public value.

## 5.1 Leeds social impact hub

Deeper understanding of how the local population could benefit from social value commitments leveraged from public procurement could greatly enhance its real community impact. One finding of our research was that (procurement teams within) anchor organisations currently lack adequate knowledge of community needs or demands. A social impact hub hosted by the Leeds Anchors network would support these objectives by giving concrete substance to social value commitments from suppliers, which all too often translate by default into generic and minimally impactful activities.

The social impact hub would be a platform facilitating match-making between enterprises seeking to supply to the public sector, and community organisations identifying real needs and asks. Modelled on existing initiatives like Gateshead Exchange<sup>2</sup>, the idea is to develop a digital platform that collates community requests, harvested from local community groups, voluntary organisations, schools, charities and others. Procurement teams could then align the social value elements of upcoming tenders with concretely identified community requests, and encourage suppliers to make offers that match their capabilities to them. Enterprises could also submit their own support offers independently of the procurement process. The hub would enrol Leeds Community Anchors Network as a key stakeholder in developing and operating the platform, and would link with the existing Leeds Anchors initiative to showcase their upcoming procurement pipeline so that suppliers can anticipate potential matches to community requests ahead of time.

The platform offers benefits for communities, suppliers, and procuring organisations. While it

makes no legal guarantees that community requests will be delivered, it provides an opportunity to solve them on a cost-free basis. For suppliers, there is no guarantee that using the hub will result in a winning bid, but it enhances their chances and allows them to develop a smarter understanding of their capabilities and potential local impacts – including in other localities. For procurement teams, the hub offers several benefits. It streamlines the process of crafting tailored social value questions in tenders, reduces the amount of minimal and generic social value offers from suppliers, increases opportunities for contract monitoring and qualitative measurement of real social impacts, and has potential to build more meaningful ongoing relationships between anchors, their suppliers, and local residents. It can also boost real social value impacts without necessarily making social value a higher weighting in tender scoring, by making it more likely that winning bidders will have committed to something meaningful. Because the system helps suppliers tailor their offers based on identified requests, it also helps procuring organisations leverage more specific commitments to the local area without breaching their regulatory requirements to ensure a competitive process. Bids can be scored on how well they tailor their commitments based on those identified needs, but without demanding specific commitments that would disadvantage any given category of supplier.

The platform would require the Anchor Network's investment in dedicated staff to maintain it, spread awareness, facilitate the identification and uploading of community requests through outreach with local community groups and VCSEs, and develop its match-making objectives in collaboration with anchor procurement teams.

<sup>2</sup> <https://www.gateshead.gov.uk/article/24415/Gateshead-Exchange>



## 5.2 Leeds socially impactful business incubator



Another key finding from our research was that procuring organisations struggle to identify a local market for goods and services in certain sectors, and are not currently considering how to support VCSEs (as opposed to SMEs) to access the public procurement market. Coupling these issues, a start-up incubator specifically for supporting more inherently socially-minded and democratic forms of enterprise like cooperatives and community-interest companies would help anchors achieve their social value objectives, in ways that rebound to their own medium- and long-term benefit. Fostering independent local industrial capacity would help fill strategic supply gaps in key sectors, generate innovation that potentially results in cost savings, and facilitate long-term local supplier relationships that boost supply chain resilience. It would also benefit the Leeds economy in other ways, such as developing local skills and innovation and providing new good-quality employment opportunities, reducing the cost strain on local public services.

The key mission for the incubator should be as a mechanism for matching new capacity in the VCSE sector to strategic gaps in public sector supply chains, aligning supply and demand-side interventions to actively shape and co-create local markets and catalyse innovation toward a more democratic economic system. The incubator should both provide supportive infrastructure for VCSEs to pursue their own development, and adopt a curatorial role to build up and foster an ecosystem of VCSEs through strategic facilitation and collaboration with anchors' procurement teams. Strategic clarity of anchors' procurement strategies

will help social enterprises make operational decisions based on existing and upcoming demand, and can be a basis for linked-up decision-making in targeting seed funding in ways that maximise local benefits for the public sector, new VCSEs, and local residents alike.

This would include a physical space that leverages the benefits of face-to-face collaboration and provides potential social enterprises with discounted shared facilities to reduce their start-up costs; administrative infrastructure to support individuals and organisations to develop their ideas and build sustainable enterprises; collaboration opportunities with anchors' procurement teams; and strategic seed funding along with support to access wider start-up funding opportunities. The incubator can be modelled on organisations like Cooperative Development Agencies and supported by existing innovation infrastructure in Leeds such as Nexus.

To support both the above ventures, the anchors should pool resources through a raised anchor membership levy, and seek funding opportunities with other partners. Anchors should also contract expert legal advice to draft policies and terms and conditions in line with legislation and support both ventures on an ongoing basis. They should be overseen by a joint steering group consisting primarily of representatives from the Leeds Anchors and the Leeds Community Anchors Network, as well as representatives from the Trades Union Council, the West Yorkshire Combined Authority, Leeds Climate Commission, Co-operatives UK, and Leeds Business Anchors.

## 5.3 A strategic anchor plan to deepen public purpose in procurement

Another significant finding from our research was that although the anchor network has driven some positive change in procurement practice, many procurement practitioners lack clarity about the role and purpose of procurement in the anchors' local social and economic goals. The level of commitment to furthering and deepening these objectives also varies across the network. Leeds Anchors should adopt a new strategic plan for procurement to cohere the member organisations around a shared vision for local economic and social outcomes. Knowledgeable procurement teams equipped with solid definitions and clarity of vision can then support their organisation to make wider spending decisions not only to suit a business need but to suit civic, social or economic impact objectives. The plan should be agreed by organisational leaderships and be driven throughout organisations' purchasing infrastructure at every level from end-user buyers to the executive board, and where possible should be led by dedicated staff. Three key priorities for this refreshed strategy should be to:

**Adopt clear objectives:** Building on the groundwork established by previous research (Devins, et al., 2017), the anchors should set out ambitious new procurement priorities that extend and deepen their commitments and align them with wider public purpose objectives. The network could begin by revisiting previous work on local social value in Leeds, such as the Leeds Social Value Charter (2016). It could consider publishing a Leeds Anchors Social Value Statement, a document promised in 2019 but never delivered. The strategy should be co-created in partnership with local community stakeholders, including the Leeds Community Anchors Network, through facilitated workshops that draw on the wealth of existing data and research expertise that exists within the anchor member organisations. The challenge for Leeds Anchors in co-creating these objectives will be to commit to a wider vision without reverting to a 'lowest common denominator' of all stakeholders' positions.

The strategy, for example, should avoid watering down more ambitious, innovative and progressive components in order to accommodate all local business interests.

**Adopt clear definitions:** To aid the clear articulation of what anchor organisations are aiming to achieve in relation to the local economy, clear and more specific shared meanings for key terms are necessary. The strategy should develop and clearly communicate definitions for 'social value', 'social impact', 'local', 'economic resilience', and so on. This means thinking outside the box of existing standardised definitions and received wisdom: for example, organisations can define 'social value' to give it more scope and content than existing, and rather vague, categories like employment and skills. Instead it should incorporate and emphasise other, and perhaps more fundamental, community wellbeing impacts, such as reduction of health inequalities, impact on local deprivation measures, support for under-served groups, and so on. Social value can be defined in directional rather than diffuse ways (see Mazzucato, et al., 2025) and not left up to suppliers' own efforts to define. These definitions should also recognise the existing inherent social value provided by non-profit and community-impact enterprises like CICs, charities, and cooperatives. 'Local' can also be defined more narrowly, as regionally embedded organisations that in fundamental ways keep wealth circulating within the local economy. This requires some multi-faceted measurement to avoid the contradictions of overly simplistic definitions, but would also require extended capacity from the procurement teams measuring data on local spend. Ideally, suppliers would be assessed on their revenue structures and profit incentives, to distinguish beneficial local firms from more extractive financialised and debt-structured corporate arrangements.

**Develop more systematic thinking:** A new anchor procurement strategy should take a more systemic approach to how procurement can support



anchors to tackle local economic and social problems. A more linked up approach to operations between procurement, other services, and senior leadership, drawing on external engagement and operational resources across the anchor network, will help to increase the impact of organisations' spending power. Procurement should be involved in early decision-making about spending to bring stakeholders closer into the conversation about local and socially impactful spending and support consideration of alternatives such as in-house

delivery, partnership models, inter-public sector buying, subsidiary enterprises, and so on (see Millthorne, et al, 2025). Consideration of 'social value' should not be restricted to the mandated 10% weighting of above-threshold procurements; rather, organisations can commit to embedding deeper principles for social and economic impact across all organisational spending, so that procurement does not bear the whole weight of leveraging local impacts.



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