

Q&A: Rethinking Public Procurement for Greater Public Value

In conversation with Leah Millthorne, Associate Director & Chief Economist at [CLES](#) and Manchester Social Economy Alliance Steering Group Member.

Q: What is CLES and why are you focused on public procurement?

A: CLES is the Centre for Local Economic Strategies – a Manchester-based think and do tank and charity, working across the UK and Ireland. Since 1986, we've supported local economies to benefit people, place, and the planet. We're well known for our work on Community Wealth Building. One of our key areas of work is public procurement, because how public money is spent has huge potential to shape fairer, more inclusive economies.

Q: What's the problem with the current procurement model?

A: For decades, public services have been increasingly outsourced to large private providers. This shift has driven massive wealth extraction from public systems - profits flowing to shareholders and offshore tax havens instead of being reinvested into our local communities. In some sectors, like adult and children's social care, this model has contributed to poor-quality services, low-paid staff, and unsafe conditions. Essentially, public money isn't always serving public purpose. We talk more about this in our recent paper: [Public Money, Public Purpose](#).

Q: Isn't the Social Value Act meant to help with this?

A: The Social Value Act (2013) and related policies in Scotland and Wales were important steps. They encourage commissioners to consider the wider benefits of the services and suppliers they choose. Some councils have gone further, using social value commitments to drive more equitable local economic outcomes where they can.

However, there are limitations. In many cases, social value has become a "tick-box" exercise with some firms gaming the system - submitting impressive promises at tender stage but not always delivering meaningful community benefit. This dynamic can disadvantage social economy organisations and SMEs, who often have more limited capacity to compete on add-on social value, despite being purpose-led by design.

Q: What is meant by "inherent" vs. "added" social value?

A: This is an important distinction.

- *Inherent social value* is the value a business brings simply by the nature of its operations. For example, a social enterprise providing supported employment for people with disabilities delivers inherent social value because that's their core purpose.
- *Added social value* refers to commitments made on top of core operations – like offering apprenticeships or local volunteering initiatives as an addition to a specific contract's delivery.

Traditionally, procurement frameworks have focused on added value. But this approach risks overlooking the significant contributions of purpose-driven organisations whose entire model is built on delivering social benefit.

Q: Why does this distinction matter for social economy organisations?

A: Social economy organisations often struggle to compete with larger corporations that can afford dedicated bid-writing teams and sizable promises. By not accounting for the inherent value of organisations, we undervalue the impact they have. Levelling the playing field means recognising the full contribution of social economy organisations – not just what they can add, but what they already do.

Q: Are any councils already doing things differently?

A: Yes! Manchester City Council is leading the way with its refreshed 2025 Social Value Policy. It recognises both inherent and added social value in tenders, giving purpose-led suppliers a fairer shot. Their new evaluation model now features a 30% total social and environmental impact weighting on tenders. Social value amounts to 20% and the scoring breaks down into three criteria:

- 50% for inherent social value – assessing the supplier’s ethos, ethical practices and alignment with the City Council’s priorities.
- 25% for added social value – evaluating extra social value initiatives proposed within the bid.
- 25% for the delivery plan – the credibility and feasibility of implementation and reporting.

This approach rewards organisations for *who they are and what they do* as part of their day-to-day operations, not just what they can promise.

Q: What’s the bigger opportunity here?

A: At its best, public procurement can be a powerful tool to build fairer economies. It’s not just about buying goods or services - it’s about shaping the kind of local economies we want and need. With the new UK Procurement Act (effective from February 2025), there’s now more flexibility for local authorities to make context-based decisions and support SMEs and social economy organisations. But progressive intent must accompany policy change.

Q: How can social enterprises get involved?

A: Now is the time to engage. Social economy organisations in Manchester should keep an eye out for commissioning opportunities with the City Council and be sure to highlight their *inherent value* in all bids.

Final Thought:

Social economy organisations are central to creating inclusive, resilient local economies. But to unlock their full potential through public contracts, procurement processes must shift from transactional checklists to meaningful evaluations of likely value to the public. By recognising inherent social value, councils like Manchester are setting the pace - and we’re inviting others to follow.

Looking Ahead: MSEA Support to Navigate Social Value & Commissioning

In this, our second year of activity, the Manchester Social Economy Alliance is directing our energy towards leveraging this growing focus on social value. Our aim is to strengthen the connection between Manchester's vibrant social economy and the key budget holders within Manchester City Council's procurement and commissioning teams to ensure that social enterprises are ready to capitalise on these changes.

In upcoming newsletters, we will share a range of resources and opportunities to support engagement with local authorities — including guidance on navigating tender portals and understanding social value measurement.

If you are seeking support to access commissioning updates and opportunities, please do get in touch via social media or directly at josie@macc.org.uk.