

MANCHESTER CITY COUNCIL SPEND ANALYSIS 2017/18

This analysis demonstrates the wider contribution that procurement can make to a local economy and how it can support the achievement of wider outcomes. The analysis was conducted by the Centre for Local Economic Strategies (CLES) for Manchester City Council as part of an ongoing partnership.



£430.7 million

Amount spent by Manchester City Council with its top 300 suppliers in financial year 2017/18.



£307 million

Amount spent with Manchester based organisations in 2017/18, or 71.3% of the total spend with the top 300 suppliers. It was 51.5% in 2008/09.



61.7%

The proportion of procurement spend with SMEs has increased from 46.6% in 2014/15.



£119.6 million

Estimated re-spend of the top 300 suppliers back in the Manchester economy on local employees and suppliers of their own in 2017/18.



1,302 jobs

Suppliers to Manchester City Council created an estimated 1,302 jobs in Manchester in 2017/18.



158,591 hours support

Suppliers to Manchester City Council provided an estimated 158,591 hours of support to the voluntary and community sector in 2017/18.



1,788 opportunities

Suppliers to Manchester City Council created an estimated 1,788 employment opportunities for 'hard to reach' individuals in Greater Manchester in 2017/18.



665 apprenticeships

Suppliers to Manchester City Council created an estimated 665 apprenticeships in Manchester in 2017/18.

HOW THE FINDINGS FOR 2017/18 WERE DEVELOPED

1 Spend analysis

CLES have taken figures for Manchester City Council's spend with its top 300 suppliers (by value of contract spend) and explored the geography of that spend, the business sectors which that spend is with, and the extent to which spend is with Small to Medium Sized Enterprises (SMEs).

2 A survey of the supply chain

A supplier was issued to the top 300 suppliers to explore what happens to procurement spend once it reaches the supply. We have explored the extent to which they re-spend back in the Manchester economy and also how they contribute to wider social value outcomes such as creating jobs and apprenticeships and supporting the VCS.

BACKGROUND

The collaborative work between CLES and Manchester City Council has been trailblazing in shifting the way in which a local authority undertakes procurement.

It has inspired both changes in the behaviour of procurers and suppliers to realise real impacts for the Manchester economy and its residents. It has also inspired other authorities, institutions and places to think differently about the role of procurement in local economic development.

Manchester City Council wants to continue to be at the forefront of progressive procurement policy and process in a UK context and recognises that the work described above is not complete. The

next step is therefore to move towards a more embedded way of demonstrating the social value impact of suppliers as part of contract management. Here, suppliers will be asked to report not just on the number of jobs they are creating as part of social value commitments (for example), but also the quality of those jobs and the impact they are having on individuals and communities.

Progressive procurement is an example of local wealth building; a systems approach to economic development built on local roots. It aims to reorganise local economies so control is put back in the hands of local people, with the wealth that is generated being circulated and held locally. CLES is working with Councils like Manchester City Council across the UK to implement local wealth and create good local economies for all.

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