

# MANCHESTER CITY COUNCIL SPEND ANALYSIS

2018/19

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



**£461.0m**

Manchester City Council spent £461.0m with its top 300 suppliers in financial year 2018/19.

**£322m**

Manchester City Council spent £322m with Manchester based organisations in 2018/19 - 69.9% of the total spend with the top 300 suppliers. In 2008/09 this figure was 51.5%



**50.5%**

The proportion of Manchester City Council's procurement spend with SMEs has increased from 46.6% in 2014/15 to 50.5% in 2018/19.

**£145.7m**

An estimated £145.7m was respent back in the Manchester economy by the top 300 suppliers in 2018/19 - on local employees and supply chain.

**1,579 jobs**

Suppliers to Manchester City Council created an estimated 1,579 jobs in Manchester in 2018/19.



**77.5%**

The proportion of Manchester City Council's top 300 suppliers with an environmental management plan in place is up 7.5% from 2017/18 to 77.5%.

**7730 opportunities**

Suppliers to Manchester City Council created an estimated 7730 employment opportunities for 'hard to reach' individuals in Greater Manchester in 2018/19.

**561 apprenticeships**

Suppliers to Manchester City Council created an estimated 561 apprenticeships in Manchester in 2018/19.

# HOW THESE FINDINGS WERE DEVELOPED

## SPEND ANALYSIS

CLES analysed Manchester City Council's spend with its top 300 suppliers (by value of contract spend). They 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).

## SUPPLY CHAIN SURVEY

A survey was issued to the top 300 suppliers to explore what happens to procurement spend once it reaches suppliers. The extent to which they re-spend back in the Manchester economy was explored, as well as 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 transforming the way in which a local authority undertakes procurement.

It has inspired changes in the behaviour of both 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 continues to be at the forefront of progressive procurement policy and practice 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 community wealth building; a systems approach to economic development built on local roots. It aims to reorganise local economies to put control back in the hands of local people, with wealth being generated, circulated and held locally. CLES is working with councils across the UK to implement community wealth and create good local economies for all.

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