Councils should assert their strategic purpose through procurement, Localis study argues

Thursday 16 October, 2025

Embargo date: from 00.01 a.m., Thursday 16th October 2025

Councils should assert their strategic purpose through procurement, Localis study argues

English councils must repurpose their annual £127bn spend on goods and services to achieve broader economic, social, and environmental ends, a new report from the think-tank Localis has argued.

The report entitled **'New values, new landscape: public contracts for social prosperity – 2025 update'** suggests there remains large scope for local government to redirect and shift the purpose of its expenditure to benefit the communities they serve.

Localis notes in the report that while the government's legislative agenda for the English Devolution and Community Empowerment Bill contains scope to expand socially focused contracting and to strengthen community resilience, streamlining measures in the Planning and Infrastructure Bill could centralise and unravel attempts to provide bespoke community-focused social value from new housing and infrastructure developments.

The study updates and expands upon Localis's previous report in the subject released last year to include the impact of implementing the new Procurement Act, which came into force in February, and has stablished a single, unified statutory framework for procurement.

According to the report, despite the progress made on procurement in the last year, key risks and contradictions remain. Firstly, the tension between central mission-setting and local strategic autonomy must be carefully managed. While central frameworks such as NISTA, the National Procurement Plan, and the Industrial Strategy Council offer coherence, they can risk disempowering localities.

Secondly, the report finds fiscal constraints remain acute, and that despite increased settlement certainty, councils continue to face demand pressures and capacity challenges that will hamper their ability to implement more complex procurement strategies.

Thirdly, while legal flexibilities now exist under the Procurement Act, cultural inertia and risk aversion within commissioning bodies risk slowing down the take-up of new commissioning approaches that could create greater public value and efficiency.

'New Values, New Landscape' recommends that to make the most of the new procurement landscape, councils should monitor:

- the uptake and local implementation of 'most advantageous tender' provisions;
- the efficacy and accountability of new hybrid delivery models as they are put in place;
- the integration of devolved spatial strategies into national investment plans;
- the alignment and expansion of social value KPIs across local and central government;
- the durability of insourcing initiatives under economic pressure

Report author and senior Localis researcher, Callin McLinden, said: "Public procurement has become one of the clearest strategic levers councils have to deliver social prosperity; good jobs, resilient services and greener, fairer local economies.

"With the Procurement Act now in force, creating a single, more flexible framework, and major devolution and planning reforms reshaping how places govern, the opportunity and stakes have both shifted significantly since our previous 'New Values' report.

"This update shows how councils can lock in social, economic and environmental value into every major contract while still retaining democratic control through hybrid delivery models, including through the use of LATCos as controlled entities, rather than defaulting to the tired outsourcing binary of the previous regime."

Justin Galliford, CEO of Norse Group, said: "One year on from the publication of 'New values: public contracts for social prosperity', the policy landscape continues to evolve. The introduction of the

Media:

Related Sectors:

Business & Finance :: Charities & non-profits :: Government :: Public Sector & Legal ::

Related Keywords:

Procurement :: Social Value :: Councils :: Local Government :: Spending ::

Scan Me:

Procurement Act 2023 and the forthcoming English Devolution and Community Empowerment Bill present both new opportunities and challenges for councils seeking to embed social value at the heart of their services.

“We’re pleased to support the publication of ‘New values, new landscape’, which continues an important conversation about the role of procurement in driving social prosperity and aims to help councils maximise the positive impact of their spend.

“As a LATCo, Norse Group has always prioritised values-driven service delivery, ensuring that our work delivers meaningful benefits for people, places, and local economies, beyond the services themselves. Social value has many dimensions, and across the sector there is a growing recognition that collaboration, innovation, and community outcomes must remain central to how public services are designed and delivered for the future.”

END

Press enquiries:

Jonathan Werran, chief executive, Localis

(Telephone) 0870 448 1530 / (Mobile) 07967 100328 / (Email) jonathan.werran@localis.org.uk

Notes to Editors:

1. **About Localis**

Localis is an independent think-tank dedicated to issues related to politics, public service reform and localism. We carry out innovative research, hold events and facilitate an ever growing network of members to stimulate and challenge the current orthodoxy of the governance of the UK.

https://www.localis.org.uk/

About Norse Group

Norse Group delivers the essential services and spaces that help communities thrive. We partner with local authorities through successful joint ventures that combine scale and expertise with local insight and a shared commitment to public service. As the UK’s largest Local Authority Trading Company, wholly owned by Norfolk County Council, we’re proud to be rooted in public values and driven by the belief that there’s always a better way to deliver for communities.

1. **A copy of the final report can be downloaded here:**

1. **The report will be launched at via a policy webinar “New Values Revisited” on 16th October from 11:00-12:00**

Speakers will include:

- Lindsay Maguire, Deputy Director, Procurement Reform, Cabinet Office
- Darren Knowd, Chief Executive, DRKNOWD Limited
- Sarah-Joy Lewis, Director, Locals Partnerships
- Paul Pawa, Group Strategic Development Director, Norse Group

For more details and to register please click here

Company Contact:

Localis

T. 0870 448 1530
E. jonathan.werran@localis.org.uk
W. https://www.localis.org.uk

Additional Contact(s):
07967 100328

View Online

Additional Assets:
Localis - New Values, New Landscape

Newsroom: Visit our Newsroom for all the latest stories:
https://www.localis.pressat.co.uk