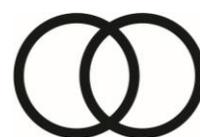


Maximising social value from spending

CLES report for Transport for Greater Manchester



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Centre for Local Economic Strategies (CLES)

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Fair	Treating people with fairness and equality
Bold	Devising progressive solutions through pioneering work
Collaborative	Working with others to achieve the best result
Independent	Always acting with integrity
Acting in solidarity	Supporting, nurturing and empowering ourselves and others

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Executive summary

Tackling inequality is a key priority of the current Mayor of Greater Manchester Andy Burnham. Across the Greater Manchester Combined Authority (GMCA), the actions of public sector organisations as employers, buyers and asset-holders are increasingly recognised as vital levers in bringing about fairer outcomes. The devastation wrought by the Covid-19 pandemic has brought even more attention and urgency to how the power of the public sector and the public purse can be used to achieve broader aims.

The purpose of this report is to examine the role of Transport for Greater Manchester (TfGM) in creating a fairer and greener economy as an employer, buyer, owner and provider of public services. TfGM's organisational reach as an employer, asset holder and buyer across Greater Manchester is considerable which gives it great influence on a variety of stakeholders from suppliers, local businesses, its workforce, the general public as well as other members of the GMCA. We explore what TfGM has already been doing to create social value through its activity and explore what more can be done.

Report structure

Our report starts by examining how the concept of social value has evolved from being an output of public procurement to a much broader idea of how the public sector can influence positive social, economic and environmental outcomes. We consider how the recent findings of the Greater Manchester Independent Inequalities Commission impact our understanding of how social value can be achieved and how it could potentially shape TfGM's strategic decision-making. We discuss how TfGM is seen as a leader on social value in the GMCA drawing on our findings from a document review and interviews with key individuals. We wrap up with recommendations on how TfGM can maximise social value creation through its spending in the region, and increase its influence on other stakeholders.

Recommendations

The golden thread to our recommendations is aspiration. Now is the time to build on the solid foundations that TfGM has already laid to go further and faster. TfGM should target its Covid-19 recovery actions to move social value from being a priority for certain functions, to a cultural value embedded across the organisation. To do this, social value creation must guide strategic decision-making, it must be understood and evaluated as part of each employee's role, it must be measured

better and outcomes must be communicated widely to inspire others towards more generative activity.

We have identified six specific recommendations. These will allow TfGM to continue to expand its considerable influence whilst bringing other key stakeholders along.

- 1) Adopt a formal statement of intent on social value.
- 2) Foster a cultural shift of socially, economically and environmentally generative action across the organisation through leadership, training and evaluation.
- 3) Embed the refreshed Greater Manchester Social Value Framework into all decision-making on employment, asset use, environmental impact and spending.
- 4) Push existing partners for more, and pull generative partners in to forge a stronger Covid-19 recovery and tackle inequalities across the region.
- 5) Adopt more nuanced measures of social value to drive better outcomes.
- 6) Track and publish outputs and social value impact more consistently using both quantitative and qualitative reporting.

1. Introduction

Eighteen months on from the declaration of a pandemic, the Covid-19 crisis has brought about irreversible structural and societal change for our communities. The current crisis has laid bare the fragilities and deep inequalities in our national and local economies and has powerfully demonstrated that the economic development practices of the past cannot provide a road map for the task ahead.

The actions we take now, both as ongoing responses to the crisis and measures to aid a future economic recovery and reform, will likely have profound and lasting consequences – on the way we do business, how we live, work and travel in our communities and the terms within which we reach a new political-economic settlement. With the climate emergency and the full impact of Brexit waiting in the wings to take centre-stage and with the increasing likelihood of further pandemics and related shocks, the stakes could hardly be higher.

The strength and the action of the public sector is key to all of this. The Covid-19 response and recovery have been state led and this provides an opportunity not only to influence the rate of recovery but its direction also. Public sector organisations like TfGM have a critical role to play not just in the economic recovery, but their actions are also integral to strategic environmental objectives and the social cohesion and resilience of communities.

Against this backdrop, CLES has been asked to apply a community wealth building lens to current activity by TfGM. Using this lens, CLES has asked how TfGM can maximise the creation of social value in Greater Manchester. CLES has examined the current strategy and explored what could be done to deepen and extend good practice both within and outside TfGM as the region seeks to recover from the impact of Covid-19. The recently released report of the Greater Manchester Independent Inequalities Commission has provided a useful perspective on broader inequalities in the region.

Methodology

CLES has conducted a desk review of the following documents:

- GMCA Social Value Policy (2014)
- Report on TfGM Contributions to Social Value
- Social Value & Public Procurement – GMCA Report (2020)
- GM Social Value Framework
- GM Good Employment Charter

Following the document review, we conducted one-hour long interviews with the following officers:

- Anne Lythgoe, Principal Strategy Officer, GMCA
- Jade Rawlinson, Senior Procurement Manager, TfGM
- Chris Barnes, Interim Head of Projects, TfGM
- James Baldwin, Senior Policy Officer, TfGM
- Philippa Grant, People Director, TfGM

Finally, we attended two of the Greater Manchester Social Value Forum events to understand the broader context of social value in the region and considered the findings of the Greater Manchester Independent Inequalities Commission which were published in March 2021.¹

Report structure

Our report starts by examining how the concept of social value has evolved from being an output of public procurement to a much broader idea of how the public sector can influence social, economic and environmental outcomes. We consider how the recently published findings of the Greater Manchester Independent Inequalities Commission can shape TfGM's strategic decision-making around social value creation. We then discuss how TfGM is seen as a leader on social value in the GMCA drawing on our findings from a document review and interviews with key officers. We wrap up with recommendations on how TfGM can expand and deepen its social value creation through the power of its spending in the region and increase its influence on other stakeholders.

¹ [The Next Level: Good Lives for All in Greater Manchester \(greatermanchester-ca.gov.uk\)](https://www.greatermanchester-ca.gov.uk/the-next-level-good-lives-for-all-in-greater-manchester)

2. What is social value?

The responsibilities of public organisations like TfGM extend beyond their everyday core activities. In this respect, they have a broader role as agents that can affect economic and social wellbeing, particularly through the adoption of community wealth building strategies.

Community wealth building

At CLES we promote community wealth building as a people-centred approach to local economic development. Emerging in the 2010s, community wealth building is a progressive approach to local economic development which rejects trickle-down economics – the assumption that if the richest gain an increase in wealth, then jobs and opportunity will filter through for all to share. Instead, community wealth building reorganises local economies to be fairer. It looks to place control of wealth into the hands of local people, places and communities, and support and amplify the work of “generative” businesses and organisations that are more socially productive. These generative businesses are organisations in which more of the wealth created is held locally and/or shared broadly between owners, workers and consumers.²

Progressive procurement is one pillar of community wealth building. It is a means through which greater economic, social and environmental benefits can be achieved for local places and people. CLES has pioneered and been at the forefront of work around progressive procurement in the UK, helping to develop and animate a supply chain of local enterprises, SMEs, employee-owned businesses, social enterprises, co-operatives and other forms of community ownership. Progressive procurement increases local spend which creates jobs, contributing to a multiplier effect which in turn creates additional jobs through increased demand for local goods and services. It also seeks to bring those who are far from the job market into employment through appropriate training, support and fair employment conditions.

Anchor institutions

To drive this transition towards generative businesses, community wealth building harnesses the power of anchor institutions. Anchor institutions are large public, commercial and social sector organisations. They can exert sizable influence in the local economy through the purchase of goods and services, the employment of local people and through the deployment of their land, property and financial assets. TfGM is a key anchor institution in the GMCA.

² [CLES \(2019\). Community wealth building 2019: theory, practice and next steps.](#)

The role of anchor institutions is rooted in institutional economics,³ particularly the notion that institutions can shape economic activity and behaviour. This theoretical bedrock sparks a different way of thinking about institutions and the influence they have on people and society, positioning anchors as a powerful force for social, economic and environmental justice within a place. In so doing, these organisations can affect the social determinants of wellbeing – the conditions in which people are born, live, work and travel,⁴ by generating what is commonly referred to as social value. By acting in this way, anchor institutions can, for example:

- promote skills and employment, developing opportunities for all within the community;
- support the development of responsible local businesses through the opportunity to work as part of public sector and big business supply chains;
- create healthier, safer and more resilient communities, building stronger and deeper relationships with the voluntary, community and social enterprise sectors, whilst continuing to engage and empower citizens;
- protect and improve the environment, ensuring that the places where people live and work are cleaner and greener, and how they travel has as minimal environmental impact as possible.

Post-Covid-19 Recovery

In the light of Covid-19, the role of anchor institutions has grown immeasurably, with them offering economic ballast to local economies. As we move further into the recovery phase of the pandemic, the need for proactive anchor strategies is being amplified by two factors.

First, public sector employment is likely to be hit less hard than in the commercial sector, meaning that the percentage of public employment in local economies is likely to increase. Prior to the pandemic, nationally, 16.5% of all people in paid work were employed in the public sector.⁵ The collapse of certain parts of the commercial sector may take some years to recover; meaning that, in the intervening period, public sector jobs will have more significance within the local economy.

Second, anchor institutions take on additional importance in a recession because they may be the largest source of demand for goods and services left in local economies. As with employment, this means that the financial power of local anchor institutions will become more important, allowing them to act both as purchasers of goods and services in the local economy and as investors.

³ [T Veblen \(1904\). The Theory of Business Enterprise. New York: Scribner's Press.](#)

⁴ [The Health Foundation. 2018. What makes us healthy? An Introduction to the Social Determinants of Health.](#)

⁵ [Office for National Statistics \(2020\). Public sector employment, UK.](#)

The evolution of social value

The statutory duty to consider social value in certain public spending was introduced under the Public Services (Social Value) Act 2012.⁶ The Act required public authorities to, "...have regard to economic, social and environmental well-being in connection with public service contracts; and for connected purposes".⁷ When the Act came into force, social value was seen very much through a procurement lens. As we have explained it has now become a broader notion with a shift towards thinking of the power of public spending in its totality as a lever to generate social value. Covid-19 has concentrated minds upon the role that public sector anchor institutions can play in shaping not just the current economic recovery but better societal and environmental outcomes too.

The Mayor of Greater Manchester, Andy Burnham, has stated that one of his key priorities is tackling inequalities across the region through the creation of social value. There were deep challenges before the pandemic, but the devastation wrought by the Covid-19 crisis has given greater impetus and urgency to this pledge. In March 2021, the Greater Manchester Independent Inequalities Commission published a report titled *The Next Level: Good Lives for All in Greater Manchester*⁸ which provides a stark insight into the scale and complexity of inequality in the region. It considers inequality through two so-called "guiding stars" - Covid-19 and Black Lives Matter. The report states that these two factors have, "...shown us the depth of the inequalities we must transcend but they have also revealed the strengths within our communities, our collective spirit, and how much we care for each other".⁹

TfGM is a significant employer, buyer, asset-holder and provider of public services. This gives TfGM considerable influence to shape the local economy to bring about more positive outcomes alongside other anchor organisations. To be successful, this requires a new way of thinking about TfGM's role as an economic actor and not purely a provider of public services. This means every public pound should be strategically directed to where it can have the most impact. It requires encouraging other economic actors – like businesses, the voluntary sector and the workforce – to think about their role in creating social value. It also means that tackling inequalities through social value creation cannot be a bolt-on. By contrast, it means working with stakeholders to co-create and co-design services, spaces and spending in a manner that maximises social value.

At CLES, we argue that public spending is not neutral; it should be strategically directed towards creating virtuous outcomes. The precise nature of these virtuous outcomes varies but they should be driven by the needs of local places, people and the planet. There is a growing understanding that these outcomes go beyond the statutory obligation to consider social value in public contracts. Nevertheless, from our conversations with policymakers, politicians and other actors from across the

⁶ <https://www.legislation.gov.uk/ukpga/2012/3/enacted>

⁷ [Ibid.](#)

⁸ [The report of the GMCA Independent Inequalities Commission can be found here Read.](#)

⁹ [The report of the GMCA Independent Inequalities Commission can be found here Read.](#)

public, private and community sectors it is clear that social value can be challenging to define, measure and evaluate.

It is clear that social value is not:

- one person's job;
- easily quantifiable;
- limited to the public sector.

Instead social value should be:

- part of each role;
- embedded in organisational culture;
- something that all economic and social actors can play a part in creating.

With these parameters in mind, we now consider the role of social value in tackling inequality in Greater Manchester.

Social value and tackling inequality

The Commission's report highlights clear overlapping geographical inequalities across the region as shown in Figure 1 below.

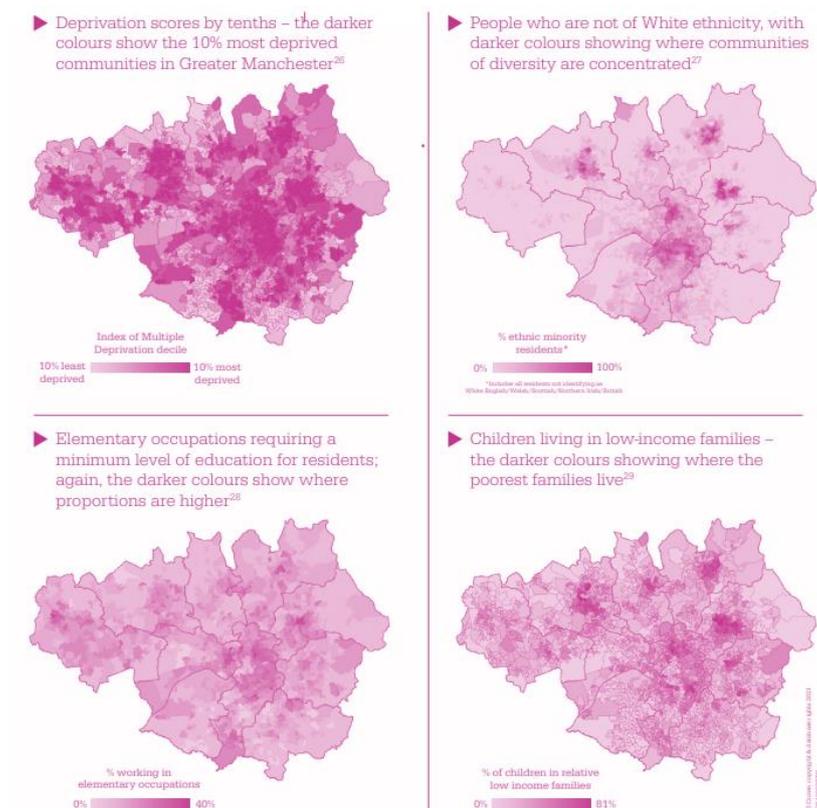


Figure 1

Source: *The Greater Manchester Independent Inequalities Commission: The Next Level: Good Lives for All in Greater Manchester - Page 22*

The report also highlights the complexity, entrenched nature and intersection of inequalities, as shown in Figure 2 below.

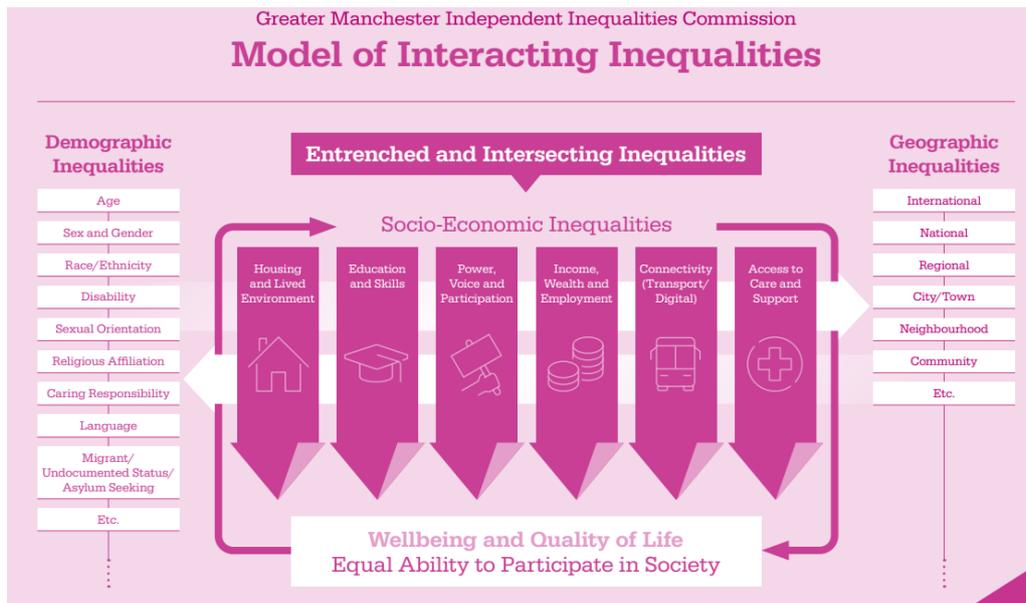


Figure 2

Source: *The Greater Manchester Independent Inequalities Commission: The Next Level: Good Lives for All in Greater Manchester - Page 7*

The report, and particularly the figures above, provide food for thought around how TfGM's creation of social value can generate fairer outcomes. As an organisation that operates across the region, TfGM has great scope to create change through its spending, use of assets and deployment of services both broadly but also very specifically. There is detailed data available on inequality and deprivation such as the Data for Indices of Multiple Deprivation.¹⁰ This data can be used in conjunction with other forms of public consultation, as well as through partnership with other stakeholders such as community groups, to inform strategic decision-making to make sure every pound spent creates as much social value as possible.

Tackling inequalities through the creation of social value also requires new and better ways of measuring, with the Commission's report arguing not just for raising averages but looking at base-line targets that focus on equity. The report argues for the aspirational goal of good lives for all. It states that, "What really matters is to prioritise the drivers of wellbeing – for instance, secure and meaningful work, a decent home, a sense of belonging".¹¹ It continues that we must, "focus on foundations that help us meet our basic needs – care, retail, housing and transport..." and urges partners such as TfGM to, "...re-orientate their resources around these goals".¹²

¹⁰ [English indices of deprivation 2019: mapping resources - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/428222/English_indices_of_deprivation_2019_mapping_resources.pdf)

¹¹ [The report of the GMCA Independent Inequalities Commission can be found here Read.](#)

¹² [The report of the GMCA Independent Inequalities Commission can be found here Read.](#)

Co-creating social value

The re-orientation of resources requires adopting new ways of operating that bring in co-design and co-operation to address inequalities consciously. Meaningful social value must be co-created with the people and groups that the social value seeks to help. The report says that inequalities must be tackled from, “ the ground up, making use of the relationships and infrastructure that already exists in communities across Greater Manchester and connecting this into the policy making process, rather than starting with policy makers who consult from the top down”.¹³ That does not absolve TfGM of strategic policy-making but instead places emphasis on listening to communities and responding to this by directing spending where social value can be maximised.

It is clear that budgets are tight across all sectors right now as the economic recovery remains shaky. There appears to be limited appetite for public finance reform that could create a fairer and more robust funding settlement for local places. This means it can be hard to find funds for innovation however necessary it may be. Furthermore, the approach of the Westminster government remains committed to the creation of time-limited funding pots that require places to compete for funding. One example of this is that GMCA has recently been invited to bid for up to £1.19 billion of capital funding through the City Region Sustainable Transport Settlement for the period 2022/23 to 2026/27.¹⁴ If successful, TfGM will play a crucial role in determining how these funds are spent and making sure value is delivered. It is absolutely essential that investment decisions are viewed through the lens of social value creation and that spending is targeted to the people and places where it can make a lasting and meaningful difference to those who need it most.

The report provides six ways in which TfGM and other anchor organisations across Greater Manchester can find additional financial resources by working collectively:

- 1) Pooling budgets in key areas to tackle specific themes.
- 2) Enacting community wealth building as an investment in certain deprived neighbourhoods.
- 3) Redeploying funds towards tackling inequalities so that this becomes the norm.
- 4) Accessing approximately £10bn of household savings which have grown exponentially during the pandemic such as through community bonds to fund particular projects.¹⁵

¹³ The report of the GMCA Independent Inequalities Commission can be found [here](#) [Read](#).

¹⁴ More details on the settlement can be found [here](#) [Read](#).

¹⁵ Community Municipal Investment (CMI) bonds are being used by a growing number of English local authorities as a way of giving private individuals the chance to support and invest in local low-carbon projects such as solar panels and electric vehicle charging points. Working in conjunction with Abundance Investment, West Berkshire Council raised £1 million through a CMI in 2020. The CMI is a 5-year bond offering a fixed return of 1.2%. More information on how they work can be found [here](#). TfGM could explore the potential for using them independently or in conjunction with other anchor organisations in GMCA.

- 5) Ensuring that procurement and commissioning spending is targeted towards generative businesses and organisations.
- 6) Bringing anchor organisations together to review and deploy the power of their combined spend.

In the next section, we will examine what is already being done by the organisation and consider how it can influence other partners.

3. Findings

In this section, we examine what TfGM is currently doing around social value from our document review and interviews with key representatives. Where appropriate, we have included the wider GMCA and regional context.

GMCA context

From our document review, it is evident that the GMCA has been working to embed social value across the region for some time. The original definition of social value adopted in 2014 was:

“A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and economy, whilst minimising damage to the environment.”¹⁶

As we have explained above social value is now understood more broadly – as something that should be embedded into decision-making, operational planning, resource management, commissioning, procurement and investment decisions. It should not be a bolt-on but become a new and better way of operating.

The region is moving towards the idea of social value creation as everyone’s business; something that can and should be created by all economic and social actors. This supports Mayor Burnham’s priority of tackling inequality through social value creation. As we discuss further below, the GMCA has supported the adoption of a refreshed social value framework in the light of the pandemic and put in place informal social value networks to bring people together and share knowledge and experience. Nonetheless there is no formal statement of intent that would provide a clarity of purpose. Furthermore, there is no anchor network in place that would allow organisations like TfGM to pool their resources and expertise formally as suggested by the Commission.

In our interviews, we heard that within the GMCA, TfGM is seen as a leader in considering the impact of social value. The organisation has taken conscious steps to embed social value into spending, employment and other functions that go well beyond the role of TfGM as a provider of transport services. Whilst the original responsibility for social value creation was placed with the procurement function, it was clear that it is now understood more broadly across key functions such as HR, projects and policy. This is positive and should continue.

¹⁶ GMCA Social Value Policy November 2014. Definition from the Sustainable Procurement Taskforce.

Measurement

One area of strength is that TfGM had already started to track social value outputs before the pandemic. TfGM has been tracking outputs against six initial objectives set out in the Greater Manchester Social Value Strategy 2013-20. The initial objectives were:

- 1) Promote employment and skills
- 2) Raise living standards – living wage, access to childcare and build local supply chain
- 3) Promote participation and citizen engagement
- 4) Build capacity and sustainability of voluntary and community sector
- 5) Promote equity and fairness
- 6) Promote environmental sustainability.

On the 21st February 2020, TfGM reported their social value contributions against each objective to the Greater Manchester Transport Committee. The report includes a lengthy list that shows the scale of TfGM's impact through its spending across procurement, capital programmes and interactions with local businesses. It also captures some of its broader influence upon the region as a provider of transport services including travel offers and its role as an employer and development of the workforce.

We have included some highlights from the report on social value creation below.

- The **economic sustainability** section listed numerous apprenticeships, school visits and training programmes at TfGM and suppliers. It included examples such as free transportation for certain priority groups attending interviews and employment fairs.
- The impact on **living standards** was mainly captured through employment using evidence such as fair work practices and local subcontracting.
- **Citizen engagement** was measured through 6,000 interactions and 89 events to consult on projects and improvements.
- **Capacity in the third sector** captured a broad range of activity from supporting certain charities, working with schools and working with community groups including those with a particular interest in transportation.
- **Equity and fairness** captured various efforts around diversity and inclusion including TfGM winning Transportation Organisation of the Year.
- Finally **environmental sustainability** covered a broad range of work around carbon footprint mitigation, waste reduction and deployment of green technologies across the organisation's footprint.

The report is evidence of the diverse range of outputs that come directly and indirectly from TfGM spending. As impressive as the report is, the list could be

presented more coherently, the capturing and monitoring could be tighter and include assessments of longer-term impact.

Greater Manchester Social Value Framework

The GMCA agreed to update the region's Social Value Policy in September 2020 with the interlinked purposes of recovering from Covid-19 and tackling inequality. As part of this the member organisations agreed to adopt a refreshed social value framework and also endorsed the link between the framework and public procurement.

The updated Greater Manchester Social Value Framework (the Framework) has six refreshed priority goals which are grounded in the United Nations Sustainable Development Goals (SDGs). The SDGs seek alignment across 17 social, environmental and economic factors. The goals are drafted broadly but contain underlying targets and indicators that can be adopted by public and private sector actors.

The Framework aims to create a step change in policy that adopts, "...a broader, more purposeful, outcomes-focussed and inclusive approach to operating and doing business for organisations across all sectors."¹⁷

The six goals are as follows:

- 1) Provide the **best employment** that you can
- 2) Keep the **air clean** in Greater Manchester
- 3) Create the **employment and skills opportunities** that we need to build back better
- 4) Be part of a **strong local community**
- 5) Make your organisation **greener**
- 6) Develop a **local, GM-based and resilient supply chain.**

It is clear that each priority goal is relevant to TfGM's day-to-day operations not just as a provider of transport services but as an employer, buyer and owner of public facilities. It is also clear that TfGM can have a considerable influence on the action and intent of a broad range of stakeholders in the region.

Fundamental to the SDGs is the idea that everyone has a part to play in bringing about positive change and fairer and more sustainable development. Current understanding of social value creation in Greater Manchester is the same. It must be something that everybody understands and can play a role in creating.

From our interviews it was clear that within TfGM, social value has moved from being seen as a bolt on to the procurement function. It is starting to be seen as

¹⁷ A link to the refreshed Greater Manchester Social Value Framework can be found here [Read](#).

something that is increasingly being understood across the organisation's operations and spending decisions. Accepting that premise however, is not the same as making it a reality in practice or becoming part of the organisational DNA. That requires a cultural shift across the organisation that takes time and involves considering social value creation through leadership, partnership, training and day to day operations. It also requires a different way of operating that creates opportunities for meaningful participation and consultation with stakeholders. The individuals we spoke to felt that TfGM had made a lot of progress around social value but would give a grading of 7/10 which suggests that there is more to be done.

Employment

TfGM's action as an employer is another way it creates social value. The organisation is taking an iterative approach to embedding well-being at work and seeking to achieve the right balance. The starting point was not social value creation but is now a factor in workforce decision-making.

The organisation has adopted the GM Good Employment Charter and has around 1,000 full-time staff of which 1/3 are public facing and 2/3's are in strategic and supporting functions. The average age is mid-40s. TfGM is rated as one of the best employers to work for and is consciously looking at how to hire, create and retain talent, encourage succession and diversification of roles and support upskilling to make sure the workforce can adapt to a changing work environment.

From our interviews, it was clear that the organisation takes fair pay and work practices seriously including avoiding the use of contractors. There is a conscious effort to hire permanent and local staff.

In addition, in response to Covid-19, the organisation has strived to create a dynamic workplace, seeking to make work, "a thing you do, rather than a place you go". This is not possible for all staff, some of whom may be operational. There has been a conscious effort to keep all staff members safe and engaged with the organisation through the introduction of communication tools like Yammer, Microsoft Teams and staff briefings. In order to address digital inequality, the organisation has taken steps to understand barriers and ensured staff have access to phones and laptops.

Diversity is recognised as important and links to the region's priority of tackling inequality. The HR team has reviewed roles to remove barriers to internal transfers and promotions and looked to create opportunities for apprenticeships such as through the Kickstart programme.

The golden thread through the workforce changes has been framed as agility with each change seen through the idea of fostering collective purpose and considering whether it adds value.

Projects and policy

Our conversations with other individuals in procurement, projects and policy demonstrated a genuine interest in and commitment to social value creation. They recognised that the pandemic has placed urgent emphasis on social value creation as part of the goal of building back better. Whilst the elderly, infirm and certain ethnic minorities have been severely impacted by the disease in terms of higher death rates and hospitalisation, young people, the precariously employed and those in industries severely impacted by lockdown measures have been hurt most economically. They could see and explain how TfGM could make a difference. They thought this was already being championed to some extent by leadership and starting to be embedded in the organisation but more could be done.

The representatives we spoke to could all point to actions by TfGM that had responded swiftly to the disruption brought by the pandemic. This covered service delivery, employment practices and the role of TfGM assets in the community. One example was the setting up of a temporary mortuary which must have been harrowing for those involved but shows the collective spirit that the pandemic inspired. Another example was how elderly residents were using *Paypoint* systems at interchanges for payments during the pandemic as they were closer to their homes than other options. This was an example of assets being used beyond their original purpose and how TfGM was engaging with third sector partners like Age Concern to create social value.

Our interviews raised the topic that the pandemic has brought about an increase in active travel but not necessarily a decrease in car usage as the public seeks to comply with social distancing. Chris Boardman has been a champion of active travel in the region. As the public starts to return to workplaces, socialise and travel more, it will be incumbent on operators like TfGM to make public transport and active travel as welcoming and inclusive as possible. This is an essential factor in the region reaching its net-zero carbon targets and also supporting a healthier population.

Another area raised by the interviews was how TfGM can use their assets to address hyper-local needs. One example was looking at how areas may attract anti-social behaviour and how TfGM could work with local officers to deter such activity perhaps through better lighting or investment in other community facilities.

The interviewees explained how public consultation increased a sense of ownership and engagement such as public art exhibitions reducing graffiti and the stained glass windows in Hyde Bus Station, which have created a more inviting public space that pays homage to historical and cultural heritage.

Facilities have also been greened through planting activities such as the 60 new trees and a wildflower meadow at Wigan Bus Station.¹⁸ Sustainability has been built into commissioning and investment with the example of green technology deployed in the Ashton-under-Lyne Interchange which will generate 15% of its

¹⁸ [Wigan Bus Station | Transport for Greater Manchester \(tfgm.com\)](https://www.tfgm.com/wigan-bus-station)

electricity from photovoltaic cells.¹⁹ Over 300,000m³ of excavated soil from the Leigh Guided Busway site has been used to create a new community woodland, which involved the planting of over 18,000 trees. Felled trees from the busway site were carved into seats and donated to three local primary schools as part of their outdoor classroom programmes.²⁰

These are great examples of social value creation by TfGM across the region which should be celebrated and shared widely. We will now move onto a discussion of our six recommendations that can help TfGM maximise its social value creation.

¹⁹ [Ashton-under-Lyne Interchange | Transport for Greater Manchester \(tfgm.com\)](#)

²⁰ [Colliers Wood - Woodland Trust](#)

4. Recommendations

The golden thread to our recommendations is aspiration. Now is the time to build on the solid foundations that TfGM has already laid to go further and faster. TfGM should continue to target its Covid-19 recovery actions to change social value from being a priority for certain functions, to a cultural value embedded across the organisation. To do this, social value creation must guide strategic decision-making, it must be understood and evaluated as part of each employee's role, it must be measured better and outcomes must be communicated widely to inspire others towards more generative activity.

We have identified six specific recommendations that we discuss in turn below. These will allow TfGM to continue to expand its considerable influence whilst bringing other key stakeholders along.

1. Adopt a formal statement of intent on social value

- Despite Mayor Burnham's pledges on social value creation, to date there has been no formal statement of intent around social value creation by the GMCA. The words and deeds of the leadership on social value are fundamental. These set the tone for organisations both internally and externally. If GMCA partners are not ready to formalise their commitments as a group, we recommend that the TfGM leadership adopt a statement of intent around maximising social value through all of its operations. The statement should cover the cross-cutting influence of the organisation on various stakeholders throughout the region. A statement of intent would be a powerful declaration of how TfGM intends to work with other stakeholders. It could also serve to drive more generative behaviour across the GMCA around social value creation.²¹
- Furthermore there is no formal anchor network in Greater Manchester although there is a lot of activity around social value. A network would help share good practice, foster alignment and drive ambition in key public sector organisations. Anchor networks in other places like Preston, Birmingham and Sandwell are helping to coalesce energy and efforts around the power of total public spending and its role in bringing about

²¹ The Mid and South Essex Health and Care Partnership of Anchor Institutions have recently adopted a charter to coalesce their collective actions around social value creation. Wolverhampton's anchor network has adopted a high-level statement of intent around collective working. It has drafted terms of reference for working groups around specific areas including procurement and commissioning one element of which is a shared approach to social value creation. Gateshead is following a similar path to Wolverhampton.

better local outcomes.²² TfGM may wish to explore this idea with other anchor organisations in the region.

2. Foster a cultural shift of socially, economically and environmentally generative action across the organisation through leadership, training and evaluation

- The adoption of a statement of intent would be the first step in agreeing the direction of travel. Cultural change cannot be imposed from above, though, or happen overnight – it must permeate throughout an organisation. To move social value beyond being a priority to becoming part of TfGM’s culture, social value needs to be understood as being part of everyone’s job through training and evaluation.
- TfGM could adopt a programme of ongoing training that embeds social value across the organisation. To be most successful, this should be done in consultation with the workforce to examine what is already being done with concrete examples of impact achieved over the past year but also in prior years. The examples should be drawn as widely as possible to allow each staff member to consider how they can contribute in their particular capacity. They may include examples that are not necessarily framed as social value but are nonetheless generative and should be encouraged.
- Training will help embed that social value creation is everyone’s job although its application will vary from role to role. TfGM should design training for each employee around the Framework and the findings of the Commission’s report. This training should be interactive and explore how each function interacts with the Framework’s goals. Qualitative performance targets around social value creation could be co-designed with employees to make sure relevant indicators are developed.

3. Embed the refreshed Greater Manchester Social Value Framework into all decision-making on employment, asset use, environmental impact and spending

- The refreshed Framework provides an opportunity to create change across TfGM’s wide sphere of influence. In the wake of the Greater Manchester The Independent Inequalities Commission report and the pandemic, now is the time to seize the opportunity to lead, broker and partner with other organisations in the public, private and third sector.
- The past year has forced many people and businesses to think differently about their local areas and how they can support and sustain their local communities. TfGM should capitalise on an increased private sector interest in social value. The refreshed Framework can be used to guide

²² More information on the role and set-up of anchor networks can be found here - [Read](#).

how they work with suppliers and partners to really drive good employment conduct, sustainability and broader social generative action.

- Embedding the Framework within the commissioning and procurement process would be a significant step but it should go beyond that and be considered across all functions.
- TfGM's highly visible influence on the community and environment in Greater Manchester is considerable. It is absolutely crucial that the organisation leads on creating a more generative and virtuous economy. Other actions could include:
 - reviewing hiring practices to target groups and areas most impacted by the pandemic both in terms of health and economic hardship.
 - building on the good work already done to address barriers to employment, progression, retention and upskilling in certain groups. This could include taking better account of caring responsibilities, making extra provision for health risk factors, looking at training and evaluation methods and building on the positive steps already taken around digital inclusion.
 - targeting spending and investment in areas and industries most affected by the pandemic whether that be creating safer and more inclusive community spaces, employment opportunities, working with partners to diversify services or improve transportation links.
 - working with partners from the private and third sector that promote active travel, use green technology and embed sustainability in their activities.

4. Push existing partners for more, and pull generative partners in to forge a stronger Covid-19 recovery and tackle inequalities across the region

- The refreshed Framework should be used to engage existing suppliers in more meaningful conversations around social value creation. This may require pushing suppliers to reconsider their approach to social value or to bring in third sector partners who can ensure that social value makes lasting and meaningful change. Once again this requires thinking about social value as an ongoing and evolving concept rather than an add-on to contracts or one person's job to monitor.
- Community wealth building aims to create stronger local economies. One way this is monitored is by tracking spending with local businesses to ensure wealth sticks in local places. In order to tackle inequalities, including those exacerbated by Covid-19, there is a step-beyond looking at local spend that looks to target spending even more specifically with generative partners. Examples of generative partners could be businesses operating in areas with particularly high levels of deprivation, those which are employee owned, those with a track record of working

with and training disadvantaged groups or a strong commitment to sustainable business practices.

5. Adopt more nuanced measures of social value to drive better outcomes

- What we measure influences our actions whether it is aiming for 10,000 steps a day, planting trees to capture carbon or prioritising GDP growth. At CLES, we advise localities and anchor institutions to adopt more nuanced measures as they strive to create more generative outcomes from their total public spending. This helps to link the desired outcomes to strategy and delivery as part of a coherent theory of change.
- Nuanced measures not only assess performance more comprehensively, they also help to steer behaviours and change culture. TfGM should consider what kind of measures apply to their operations through open consultation with its workforce, suppliers, GMCA partners and other stakeholders such as the public. Examples of such nuanced measures could include:
 - tracking suppliers by organisational structure or ownership models (such as minority or female-led) rather than just by location;
 - assessing the reduction in deprivation rates in areas where tfgm spending is heavily targeted;
 - monitoring whether there has been an increase of the use of transport services by particular marginalised groups following the introduction of measures to boost accessibility and inclusivity;
 - monitoring whether there has been an increase in engagement levels by stakeholders following action that responds to community inputs on designs and a decrease in anti-social behaviour;
 - tracking whether there is an increase in diversity of active travel users rather than just an overall increase in numbers.

6. Track and publish outputs and social value impact more consistently using both quantitative and qualitative reporting

- There are reporting tools that seek to capture the social, economic and ecological value generated by public spending but they risk narrowing the focus to value for money. We suggest that TfGM works with GMCA partners and other anchor organisations to adopt a consistent tracking tool that measures social value generated in the region through actions as a buyer, employer and owner as well as a provider of public services.
- The tool should track both direct and indirect impact to capture the multiplier effect and the engagement of other sectors. The creation of an evaluation tool with other GMCA partners and anchor organisations in the

region will create consistency for suppliers which can increase engagement with the broader goal of tackling inequality.

- As noted above, TfGM is seen as leading in the GMCA by starting to track and report on its social value impact against the original social value framework. We recommend that TfGM makes adjustments in quantitative and qualitative reporting against the refreshed Framework and uses this to communicate its impact more clearly.
 - It is generally easier to track **quantitative inputs and outputs** such as the number of apprenticeships created and completed. The numbers can draw attention and be used as support for spending decisions. Nonetheless, as explained above, in tracking quantitative social value outputs, TfGM should examine the nature of the metrics being used and ensure that they align with wider strategic aims around social value creation. For example, on progressive procurement, the questions for suppliers should probe broader business behaviours. Examples could include: do suppliers pay the living wage; do they use zero-hours contracts; do they source products locally; and are they Fair Tax Mark certified?
 - **Qualitative assessments and longer-term outcomes can** be harder to track but they are equally important. They can provide more relatable examples and inspire action with a variety of stakeholders. With both quantitative and qualitative assessments, it is common place to track and promote good news stories such as the amounts of carbon captured through tree-planting or engagement with local schools. Positive outcomes provide evidence and justification for spending decisions and are used to inform strategy and increase buy-in. To improve and extend good practice though it is necessary to examine not only what has worked but also what has not worked so well and to ask what more could be done. It is also important to put measures into context against the scale of the challenge and use that information to set more aspirational targets.
- Finally, TfGM could do more to communicate its social value creation. This could be through publishing a statement of intent as noted above, but could extend to including information on their website, through other digital tools and at facilities. Sharing achievements more widely and through creative formats could inspire other stakeholders to consider social value creation and drive up public engagement.

In conclusion, TfGM has already started to shift attention from creating social value through procurement to the broader idea of total public spending. This is in line with the refreshed Framework. The Framework sees social value not as a state or an output but as a way of doing things. This requires an organisational rethink that adopts a much broader and deeper approach to the impact TfGM can have on the economy, environment and community in Greater Manchester and tackling inequality. Now is the time for TfGM to seize the Covid-19 recovery to go further

and faster. If done correctly and with ambition, to do so will serve as an inspiration for a variety of stakeholders, including GMCA partners.



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