

# Overview & Scrutiny Committee

Tuesday 12 May 2020

5.00 pm

Virtual/Online Meeting

## Supplemental Agenda No.3

### List of Contents

Item No.	Title	Page No.
5.	<b>Scrutiny Call-in: Contract Award - generalist community legal advice services 2020-2025</b> Background information from the deputy leader and cabinet member for culture, leisure, equalities and communities outlining the historical background and payment for legal advice services.	1 - 4

#### Contact

Everton Roberts on 020 7525 7221 or email: [everton.roberts@southwark.gov.uk](mailto:everton.roberts@southwark.gov.uk)  
Webpage: [www.southwark.gov.uk](http://www.southwark.gov.uk)

Date: 11 May 2020

## Background paper for Overview and Scrutiny: Call-in of generalist legal services decision

**Councillor Rebecca Lury: Deputy Leader and Cabinet Member for Culture, Leisure, Equalities and Communities**

### Historical background and payment for legal advice services

In summer 2013 new contracts for legal advice services were awarded. The procurement strategy was based on a desire to simplify services in the borough and the need to reduce costs. The impact was to reduce the number of suppliers from seven to three.

This contract structure remained in place until present date and the award of new contracts is due to begin in May 2020. The two significant changes in service provision during the period 2013 to March 2020, were budget reduction of 15% in 2016, and the collapse of Advising Communities, one of the generalist advice contract holders in April 2019 and the delivery, by Citizens Advice Southwark the other generalist advice provider, of the remainder of that contract from July 2019 until the award of a new contract.

This call-in specifically relates to the generalist legal services contract, which does not include the specialist services provided by Southwark Law Centre.

The procurement approach adopted for the new contracts due to begin in May 2020 reflected the fact that the number of potential suppliers was reduced and the final contracts emerged through single supplier negotiation. The phases of the contract from 2013 to 2020 are summarised below:

August 2013 to July 2016

Service Area	Provider	Total contract value: August 2013-July 2016
Generalist Advice – West of borough	<b>1. Advising Communities</b>	£1,090,224
Advice in Community Languages – Borough wide		£250,317
Generalist Advice – East of borough & Leaseholder advice	<b>2. Citizens Advice Southwark</b>	£1,155,000
Specialist level legal advice services – borough wide	<b>3. Southwark Law Centre</b>	£1,285,648
	<b>Total</b>	£3,717,189
	<b>Per annum</b>	£1,239,063

Contract period August 2016 to March 2018

Service Area	Provider	Total Contract Value: Aug 2016 - March 2018
Generalist Advice – West of borough	<b>1. Advising Communities</b>	£522,300
Advice in Community Languages – Borough wide		£120,000

Generalist Advice – East of borough & Leaseholder advice	<b>2. Citizens Advice Southwark</b>	£577,000
Specialist level legal advice services – borough wide	<b>3. Southwark Law Centre</b>	£616,000
		<b>£1,835,300</b>

Contract Period April 2018 to September 2019

<b>Service Area</b>	<b>Provider</b>	<b>Total contract value: April 2018 – Sept 2019</b>
Generalist Advice – West of borough	<b>1. Advising Communities</b>	£470,070
Advice in Community Languages – Borough wide		£108,000
Generalist Advice – East of borough & Leaseholder advice	<b>2. Citizens Advice Southwark</b>	£519,300
Specialist level legal advice services – borough wide	<b>3. Southwark Law Centre</b>	£554,400
		<b>£1,651,770</b>

Contract period October 2019 to April 2020

<b>Service Area</b>	<b>Provider</b>	<b>Total contract value: Oct 2019-March 2020</b>	<b>Annual amount 2019-20</b>
Generalist Advice – West of borough	<b>Citizens Advice</b>	£156,690	£313,380
Advice in Community Languages – Borough wide	<b>Citizens Advice</b>	£36,000	£72,000
Generalist Advice – East of borough & Leaseholder advice	<b>Citizens Advice Southwark</b>	£173,100	£406,200
Specialist level legal advice services – borough wide	<b>3 Southwark Law Centre</b>	£184,800	£369,600
		<b>£550,590</b>	<b>£1,160,980</b>
		Minus £60k leaseholders	

As indicated above there has been change in the amounts received by the organisations over the seven years since the last procurement process, either as a consequence of budget reductions or delivery of additional services. In particular for Citizens Advice Southwark this has meant the annual income for legal advice services from the council has been as follows:

- 2013 2014 = £378,337
- 2014 2015 = £407,000
- 2015 2016 = £413,666
- 2016 2017 = £406,300
- 2017 2018 = £386,200
- 2018 2019 = £387,866
- 2019 2020 = £675,005

- Proposed payments for 2020 2021 following this procurement: £670,965

### **Background - Budget for legal advice services**

For the budget year 19-20 we proposed to reduce the budget for legal advice services by £82,500 and subsequent years by £165,000. This represented a reduction in the contract of £165,000 per annum implemented in year 1 for half the year only as the reduction was planned for the point in time when the contracts were due to be re-procured. This was agreed by Council Assembly in February 2019. In the budget proposal it was recognised that this was a medium risk proposal and that it was subject to evaluation of services, consultation and equalities analysis.

Re-procurement was delayed from September 2019 to April 2020 and the year one budget reduction was not implemented. Year 2 of this budget proposal is being implemented in full through the delivery of these new contract awards for generalist and specialist legal advice.

Equalities analysis, consultation and service evaluation took place from April 2019 until December 2019 as part of the process for determining the detail for re commissioning of legal advice services and the discussions on procurement strategy.

In 2019/20 exchequer services expanded their advice service provision by increasing the budget of rightfully yours team by £82,000 annually

There has been significant reduction in advice service funding in the VCS in Southwark. The cumulative impact of these reductions is loss of funding of 30% since 2015/16 (implemented from August 2016) with an increase in demand across all types of services especially linked to changes to disability benefits, after roll out of UC.

However benchmarking of our investment in external provision of advice services shows, investment in third sector advice services in Camden, Hackney, Islington, Kensington and Chelsea are all about £1M; investment from Lambeth, Lewisham and Tower Hamlets about £500K. Total investment we are proposing is **£936K**.

For generalist services moving to single supplier following the closure of Advising Communities should deliver some economies of scale.

Funding for CAS has increased as they are now the single supplier of generalist services in the borough. CAS worked closely with council following closure of Advising Communities to provide additional face to face services in Walworth area and took on significant additional liabilities (premises/staff) during this period to ensure as much continuity of service for residents as possible in these circumstances.

### **Decision-making processes**

The contracts for specialist and generalist legal advice services follow a different decision pathways linked to the value of the two contracts. Decision makers are set out in Contract Standing Orders which are here

[http://moderngov.southwark.gov.uk/documents/s76981/10\\_CSOS\\_July%202018%20changes.pdf](http://moderngov.southwark.gov.uk/documents/s76981/10_CSOS_July%202018%20changes.pdf)

Generalist annual contract value is £600k per annum or £3 million over 5 years so paragraph b) applies which states *'if the Estimated Contract Value is £2 million or more but below £4 million for supplies and services or £10 million or more but below £15 million for works but the contract does not fall into a) above, the decision must be taken by the relevant individual decision maker, after consideration by the CCRB of the report'*

Specialist total contract value is £336,000 per annum or £1,680,000 over 5 years so paragraph f) applies *'if the Estimated Contract Value is above the relevant EU threshold but the contract does not fall into a), b), c), d) or e) above, the decision must be taken by the relevant chief officer or under his/her delegated authority, after consideration by the relevant DCRB of the report'*

The specialist contract is separate from the generalist contract and it is the generalist contract that has been called-in.

**Other considerations**

In the light of the changed environment and significant increased need, and differential impacts of the emergency on people with protected characteristics, there is consideration of additional funds to be invested in our legal advice services.

As the need is related to the COVID 19 emergency and it is still unclear how residents will be impacted over the long term it is proposed that the main contracts are confirmed and the council uses its resources in a focused way to target need reviewing as necessary, with initial investment for period up to 6 months.

Dated: 10 May 2020

**OVERVIEW & SCRUTINY COMMITTEE****MUNICIPAL YEAR 19/20****AGENDA DISTRIBUTION LIST (OPEN)****NOTE:** Original held by Scrutiny Team; all amendments/queries to Everton Roberts Tel: 020 7525 7221

Name	No of copies	Name	No of copies
<b>Overview and Scrutiny Committee Members</b>		<b>Officers</b>	
<b>Electronic Versions (no hard copy)</b>		Aine Gallagher – Cabinet and Public Affairs Manager	
Councillor Ian Wingfield Councillor Jane Salmon Councillor Humaira Ali Councillor Peter Babudu Councillor Victor Chamberlain Councillor Helen Dennis Councillor Gavin Edwards Councillor Alice Macdonald Councillor Jason Ochere Councillor Victoria Olisa Councillor Leanne Werner Martin Brecknell Lynette Murphy-O'Dwyer		Paul Wendt, Liberal Democrat Group Office	
		<b>Dated: May 2020</b>	