

Education and Business Scrutiny Commission

Tuesday 24 March 2020

7.00 pm

Ground Floor Meeting Room G01B - 160 Tooley Street, London SE1 2QH

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Contact

Julie Timbrell on 020 7525 0514 or email: julie.timbrell@southwark.gov.uk

Members of the committee are summoned to attend this meeting

Eleanor Kelly

Chief Executive

Date: 16 March 2020



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7.00 pm

Ground Floor Meeting Room G01B - 160 Tooley Street, London SE1 2QH

Order of Business

Item No.	Title	Page No.
	PART A - OPEN BUSINESS	
1.	APOLOGIES	
2.	NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT.	
	In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.	
3.	DISCLOSURE OF INTERESTS AND DISPENSATIONS.	
	Members to declare any interests and dispensations in respect of any item of business to be considered at this meeting.	
4.	MINUTES	
	The Minutes of the open section of the meeting on 13 February 2020 are to follow.	
5.	BREXIT, SMES AND CORONAVIRUS	
	The following cabinet leads will attend :	
	<ul style="list-style-type: none">• Councillor Victoria Mills, Cabinet Member for Finance, Performance and Brexit• Councillor Stephanie Cryan, Cabinet Member for Jobs, Business and Innovation	
6.	PROCUREMENT REVIEW: LOCAL PROCUREMENT VIA SECTION 106 OBLIGATIONS	1 - 2

Councillor Johnson Situ, Cabinet Member for Growth, Development and Planning, will attend.

A briefing is enclosed.

7. EXCLUSION REVIEW: MATT JONES, SASH

Matt Jones, headteacher of Ark Globe Academy will attend, as the chair of Southwark Association of School Headteachers (SASH, to contribute to the scrutiny review on School Exclusions.

8. EXCLUSION REVIEW: CHANCE UK REPORT

9. EXCLUSIONS REVIEW: OFFICER BRIEFINGS

3 - 11

Officer briefings are enclosed on :

- Off-rolling
- NEET
- Exclusions 2013-17

10. SCHOOL EXCLUSIONS AND ALTERNATIVE PROVISION SCRUTINY REPORT

12 - 32

The draft School Exclusions and Alternative Provision scrutiny report is enclosed.

11. PROCUREMENT REVIEW: OFFICER BRIEFINGS

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Officer briefings are enclosed on :

- Fairer Futures Procurement Framework (FFPF), Social value pilots and Procurement monitoring and volumes
- Procurement briefing regarding local SMEs/SMEs/VCS organisations within Children and Adults Services

12. PROCUREMENT SCRUTINY SCRUTINY REPORT

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The draft Procurement scrutiny report is enclosed.

13. WORK PROGRAMME

DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE

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START OF THE MEETING.

PART B - CLOSED BUSINESS

**DISCUSSION OF ANY CLOSED ITEMS AS NOTIFIED AT THE START
OF THE MEETING AND ACCEPTED BY THE CHAIR AS URGENT.**

DISTRIBUTION LIST 2019/20

Date: 16 March 2020.

Briefing note

To: Education and Business Scrutiny Commission

From: Local Economy Team

Title: Local procurement via S106 obligations

Date: 10 March 2020

Overview

1. The council's standard section 106 provisions contains a reasonable endeavours obligation to work with the council's local economy team to achieve the procurement of at least 10% of construction contracts and goods and services from SMEs based in the borough. We achieve this by asking them to include a statement within their contracts to encourage liaising with the local economy team and to encourage tendering from SMEs by advertising locally etc. We also encourage payment of the London Living Wage to all those employed during construction and in the end use of the development.
2. The obligation is only for developers to use their 'reasonable endeavours' as this is an area where developers have limited control over the outcome. We impose a sterner obligation ("use all reasonable endeavours") where a developer has more control – for example with employment targets, which also carry a financial payment in lieu of under-achievement. Where something is totally within a developer's control, we simply require them to deliver.

Outcomes and monitoring

3. Developers do often attempt to look locally where they can for some smaller contacts (cleaning, catering etc.) but supply chains for most materials and building service contractors tend to be pre-determined. Certain materials may only be available from a small number of suppliers who supply both nationally and internationally.
4. For the reasons above, the requirement is relatively light-touch compared to employment and training obligations, and as such is monitored relatively lightly. The overall effect of the current obligation is to encourage developers that operate local procurement policies to actively seek to apply this approach in Southwark. Where successes are achieved these are reported and celebrated.
5. In the past, the council has taken a stronger line on monitoring local procurement and has gone further to support developers to meet the obligation by investing in business support to assist local SMEs in becoming fit to compete and to coordinate local advertising of contract opportunities. However, results did not show significant impact for local businesses and these arrangements were ended on value for money

grounds. The council's investment in monitoring time and resources were also not seen to generate significant additional value. Given the resource required to do so, and the limited impact when greater efforts have been made, the council does not currently seek to maintain a record of outcomes on each development site in the borough.

Position statement: Off Rolling

- Off-rolling has been defined in the [Timpson Review of School Exclusion](#) (May 2019) as where children ‘are made to leave their school and are removed from the school roll without a formal permanent exclusion or by the school encouraging the parents to remove their child from the school’. Ofsted has adopted a similar definition, noting also that this would apply ‘when the removal is primarily in the interests of the school rather than in the best interests of the pupil’ ([School Inspection Handbook](#), 2019). This could include unlawfully removing child from register without proper grounds, but could also include cases which may be technically legal but not in the child’s interests – such as encouraging a parent to remove their child to home educate. Where inspectors determine a school to have been engaged in off-rolling, the leadership and management of the school are likely to be judged inadequate.

Notifications from schools

- Schools have a duty to notify the Local Authority when a child is removed from the school register. In Southwark, schools are required to use an online form for this purpose and they cannot submit this form without stating a valid reason for removing child from roll.
- In 2018-19 school year, Southwark received notifications from local mainstream secondary schools of 527 children being removed from register. The reasons given were as follows:

Reasons for child being deleted from register, 2018-19 school year

Reasons for children being deleted from register : Year 10 – Year 11, 2018 - 2019	Number	%
Moved school (including end to period of dual registration)	288	54.7%
Moved out of area	76	14.4%
Permanently excluded [1]	39	7.4%
Withdrawn for elective home education	48	9.1%
Unauthorised absence for more than 20 days, whereabouts unknown	55	10.5%
Not attending and no longer compulsory school age before school next meets	5	0.9%
Medically unfit to return to school	3	0.6%
Child detained in custody	1	0.2%
Child died	1	0.2%
Pupil at school other than maintained or academy ceased to attend [2]	11	2.1%
Total	527	

[1] Final number of confirmed permanent exclusions may vary as a result of exclusions being rescinded

[2] code used incorrectly – this should only be used by independent schools.

- We require schools to provide copies of letters from parents choosing to home educate and we can also ask schools put a child to place child back on register if information is incorrect (e.g. if school states child’s whereabouts are unknown but we are able to confirm that they remain at Southwark address).

Southwark audit

- As part of its efforts to challenge off-rolling, Ofsted is undertaking regular data analysis to identify schools with exceptional levels of pupil movement and using this data to prioritise inspections. One such exercise has involved comparing child level Spring term school census data for children in Year 10 with data for children in Year 11 in the following school year to identify pupils who are no longer on school register. Criteria for 'exceptional pupil movement' include schools where more than 5 children and more than 5% have left school in this period (Ofsted, [Off-Rolling: an update on recent analysis](#), 2019).
- Following a similar methodology, we have compared Year 10 census data in Spring term 2018 with Year 11 census data in Spring term 2019 for all Southwark mainstream secondary schools (i.e. excluding special schools, SILS/PRU and independent schools). We have also compared this data with the number of 'Change to School Admission Register Notification Forms' submitted by schools in order to audit compliance with statutory duty to inform the local authority of children being deleted from school registers.
- This exercise identified that between the Year 10 (2018) and Year 11 (2019) Spring census, 85 children left Southwark secondary schools – amounting to 3.3% of the 2576 children on roll in Year 10. The % leaving per school ranged from 0.7% to 10.4%. Five out of 19 schools appeared to meet the criteria of more than 5 children and 5% of roll leaving [details of schools at Appendix A]
- In terms of compliance with duty to inform LA of children being deleted from school registers, forms had been submitted for 74% of children leaving Southwark schools in this Year 10/11 cohort. There were 22 children leaving Southwark Schools for whom forms appeared not to have not been received – 11 of these were from one school, with no other school having more than two.
- The results from this exercise were shared with senior managers and a letter sent to heads of all schools in January 2020 providing details of the findings for their school. In addition the Assistant Director followed up directly with the Headteacher of the school where 11 children had left the school without the LA being notified. The school has now provided details for all these pupils.
- The letter has opened up a further dialogue with schools, with meetings arranged to date with senior leaders from two schools to ensure data held by LA is consistent with schools own data and to discuss related issues of children missing education and elective home education.

Ofsted activity

- In October 2019, Ofsted undertook a monitoring visit at a Southwark school, Harris Academy Bermondsey during which they 'considered information about pupils leaving the school, particularly in Year 10 and Year 11'. Inspectors contacted Southwark's Pupil Tracking and Licensing Team and confirmed information received by the LA from the school about children leaving. The inspection concluded safeguarding was effective that 'Leaders have detailed information about each pupil who has left the school through elective home education, permanent exclusion, re-location or to another provider such as alternative provision. There are systems in place to ensure that relevant evidence is sought before removing pupils from the school roll. Leaders' record keeping is comprehensive and well organised' (source: <https://files.ofsted.gov.uk/v1/file/50127519>).

Conclusion

- There is no evidence of systematic off-rolling in Southwark secondary schools. The Local Authority has systems in place to ensure that schools provide a valid reason when removing a child from school register, and carries out audits to ensure that we are being informed of children leaving schools.
- Managers and staff in Education and Family Early Help service are very aware of the risk of off-rolling and provide appropriate challenge to schools. As a result of this, and of Ofsted's increasing focus on this issue, school leaders appear to be becoming increasingly vigilant about ensuring that there are clear and valid reasons for children to be removed from school registers.

Appendix: Pupil movement in Southwark secondary schools between Year 10 (Spring Term 2018) and Year 11 (Spring Term 2019)

School	On roll Y10 2018	On roll Y11 2019	Number of pupils leaving	leavers as % of 2018 roll	Notified to Local Authority	Not Notified to LA
1	119	115	8	6.7%	7	1
2	116	113	3	2.6%	1	2
3	169	168	4	2.4%	4	0
4	174	167	5	2.9%	4	1
5	177	169	7	4.0%	7	0
6	238	236	3	1.3%	2	1
7	67	60	7	10.4%	6	1
8	133	136	1	0.8%	1	0
9	114	101	8	7.0%	7	1
10	138	138	4	2.9%	4	0
11	135	133	1	0.7%	1	0
12	248	237	12	4.8%	1	11
13	125	122	7	5.6%	5	2
14	134	134	1	0.7%	1	0
15	131	131	1	0.8%	1	0
16	120	117	8	6.7%	7	1
17	124	122	1	0.8%	0	1
18	99	99	4	4.0%	4	0
Total	2561	2498	85	3.3%	63 (74%)	22 (26%)

*Service Development Lead
 Education, Access & Statutory Services
 February 2020*

Briefing Note for Lead Member Briefing

Report From:	Nina Dohel, Director of Education	For:	Cllr Jasmine Ali – Cabinet Member Children, Schools and Adult Care
Subject:	Young people not in education, employment or training (NEET)	Date:	November 2019

Summary:

Key Issues:

1. Since 2015 it has been a legal requirement for young people to continue in education and training until they are 18 years old. Local authorities have been tasked with 'Raising the Participation Age' duties in relation to 16 and 17 year olds, including:
 - a) promoting the participation in education and training of 16 and 17 year olds;
 - b) identifying 16 and 17 year olds who are not participating in education or training in order to offer support as soon as possible;
 - c) collecting information on the education and training placements of all 16 and 17 year olds and submitting this to the Department for Education.
2. The Department for Education publishes an annual 'NEET scorecard' showing performance of local authorities across England in meeting these duties. The latest data, published in October 2019, relate to participation of young people measured at various points between December 2018 and March 2019.
3. In March 2019, 92.6% of Southwark's 5,200 16 and 17 year olds were recorded as being in education and training, a similar to the figure for England (92.5%) but lower than London (94.9%). Most were in full time education:

Breakdown of participation among Southwark 16 & 17 year olds

Full time education	87.8%
Apprenticeships	2.6%
Other education and training	2.1%

4. At the end of 2018, Southwark's was in the top quartile nationally for the % of 16 and 17 year olds known to be not in education, employment or training (NEET).

% of young people known to be NEET

Southwark	1.4%
London	1.7%
England	2.6%

5. The biggest area of concern is in relation to 16 and 17 year olds whose activity is not known. At the end of 2018, Southwark was in the bottom quartile for this measure:

% of 16 and 17 year olds activity not known

Southwark	8.5%
London	3.0%
England	2.9%

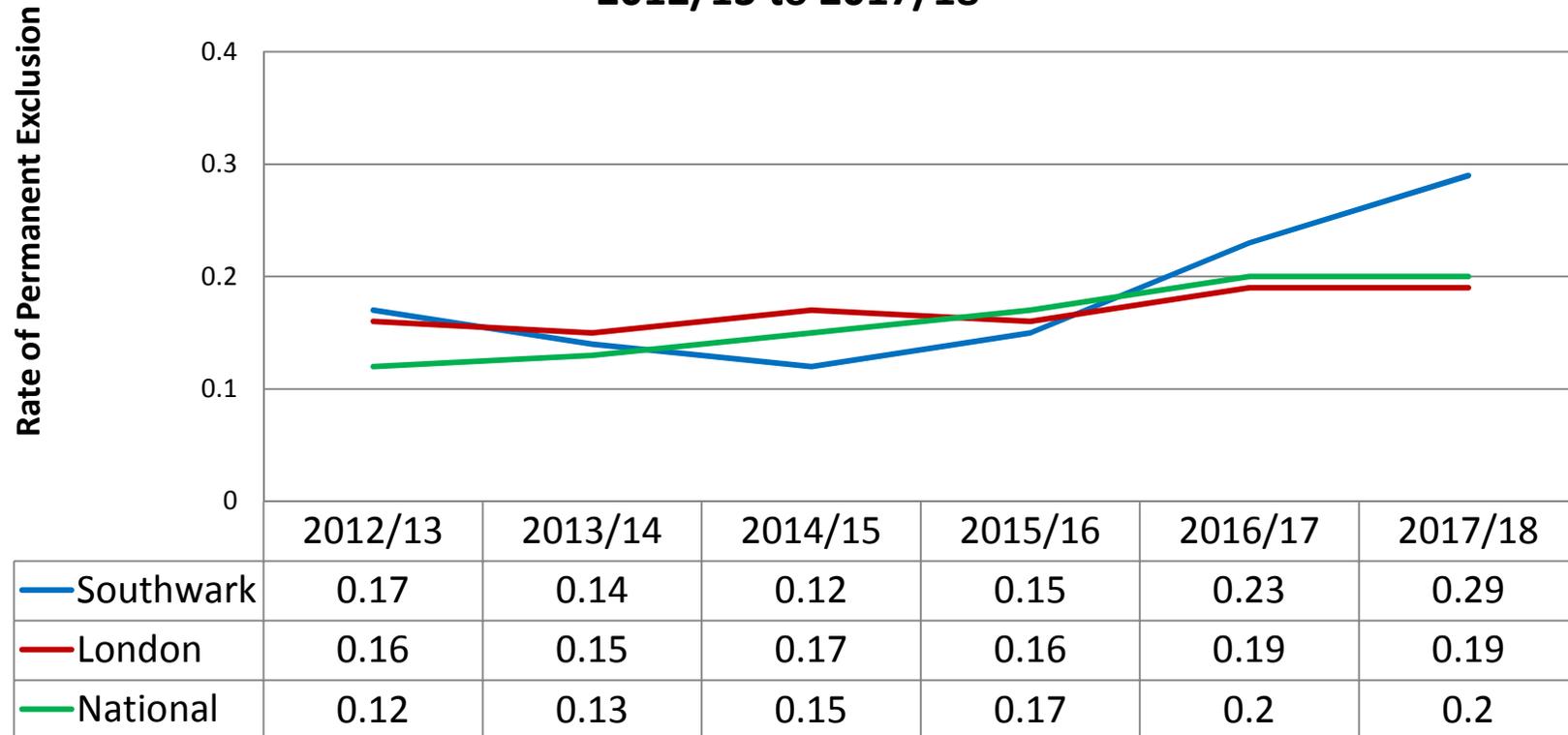
6. As a consequence Southwark was also in the bottom quartile for the % of NEET or activity not known combined – 9.9% of local 16 and 17 year olds at the end of 2018, compared with 4.8% for London and 5.5% for England.
7. Southwark does face a challenge in tracking young people with 70% of our residents in this age group travelling outside of the borough to learn, but clearly performance needs to improve in this area. The Southwark Choices team that collects this data has now moved into Education Access and Statutory Services and a number of changes have been made in an effort to improve collection of data including developing a new online form for parents, obtaining school census information at an earlier date and writing to schools regarding sharing of details of children’s destinations.
8. Support to young people NEET is provided through a number of teams across the Council including:
- Southwark Choices – information, advice and guidance for 16 and 17 year olds;
 - Virtual School - for looked after children;
 - Southwark Information and Advice Service (SIA) - for young people with SEND;
 - Southwark Works programme commissioned by the Local Economy Team, including:
 - St Giles Trust – for young people with learning difficulties; and young people involved with the criminal justice system.
 - Twin Training International – for young people who are NEET and at risk of long term unemployment.
9. Amongst the NEET cohort, there are young people with significant barriers to accessing provision including:
- a) previously missing education, particularly in year 11;
 - b) Special Educational Needs and Disabilities;
 - c) mental health and other medical concerns;
 - d) involvement in criminal justice system;
 - e) low educational outcomes from school (e.g. no GCSEs).
10. Numbers fluctuate through the year, with the current NEET caseload standing at 97 young people. Most of these NEET young people have had contact with targeted services. 39% of current known NEET young people are open to Children’s Social Care, Family Early Help, YOS or CAMHS, while 81% either are or have been in the past.

Number of Southwark young people NEET open to targeted services, October 2019

Service	Current service involvement	Previous service involvement	Total (current + previous)
Children’s Social Care: Looked after child	6	3	9 (9%)
Children’s Social Care: Child in Need or Child Protection Plan	15	50	65 (67%)
Youth Offending Service	20	13	33 (34%)
Family Early Help	9	19	28 (29%)
CAMHS	15	10	25 (26%)
<ul style="list-style-type: none"> • 97 young people in total (October 2019) • 59 young people (61%) not currently open to any of the above services. • 18 young people (19%) never open to any of the above services. • 34 young people (35%) with SEND recorded, plus one with EHCP. <p>[nb some young people are in more than one category, e.g. open to both YOS & CAMHS]</p>			

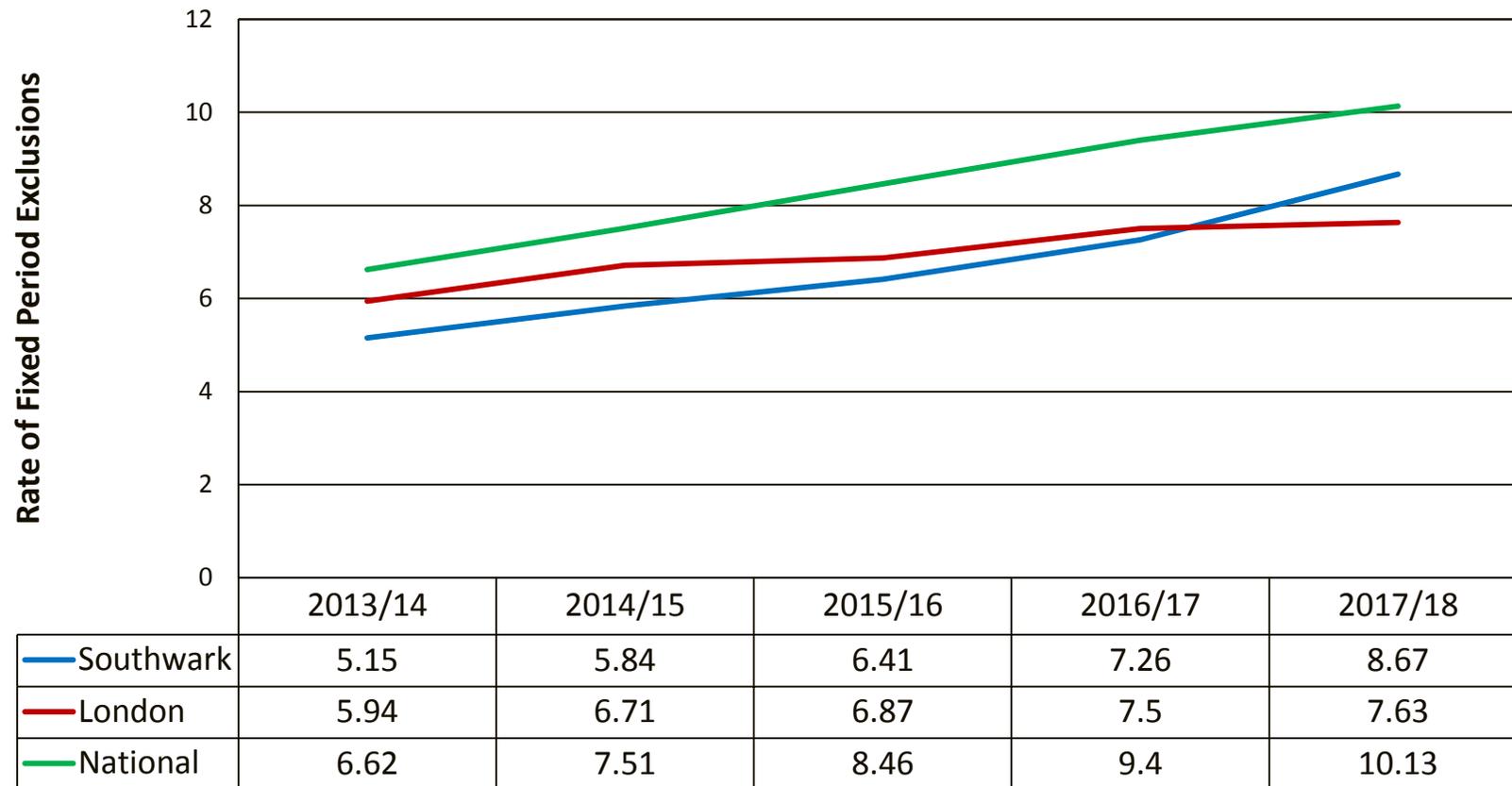
Secondary schools: Permanent exclusions

**Comparison of Secondary School Permanent Exclusion rates
2012/13 to 2017/18**



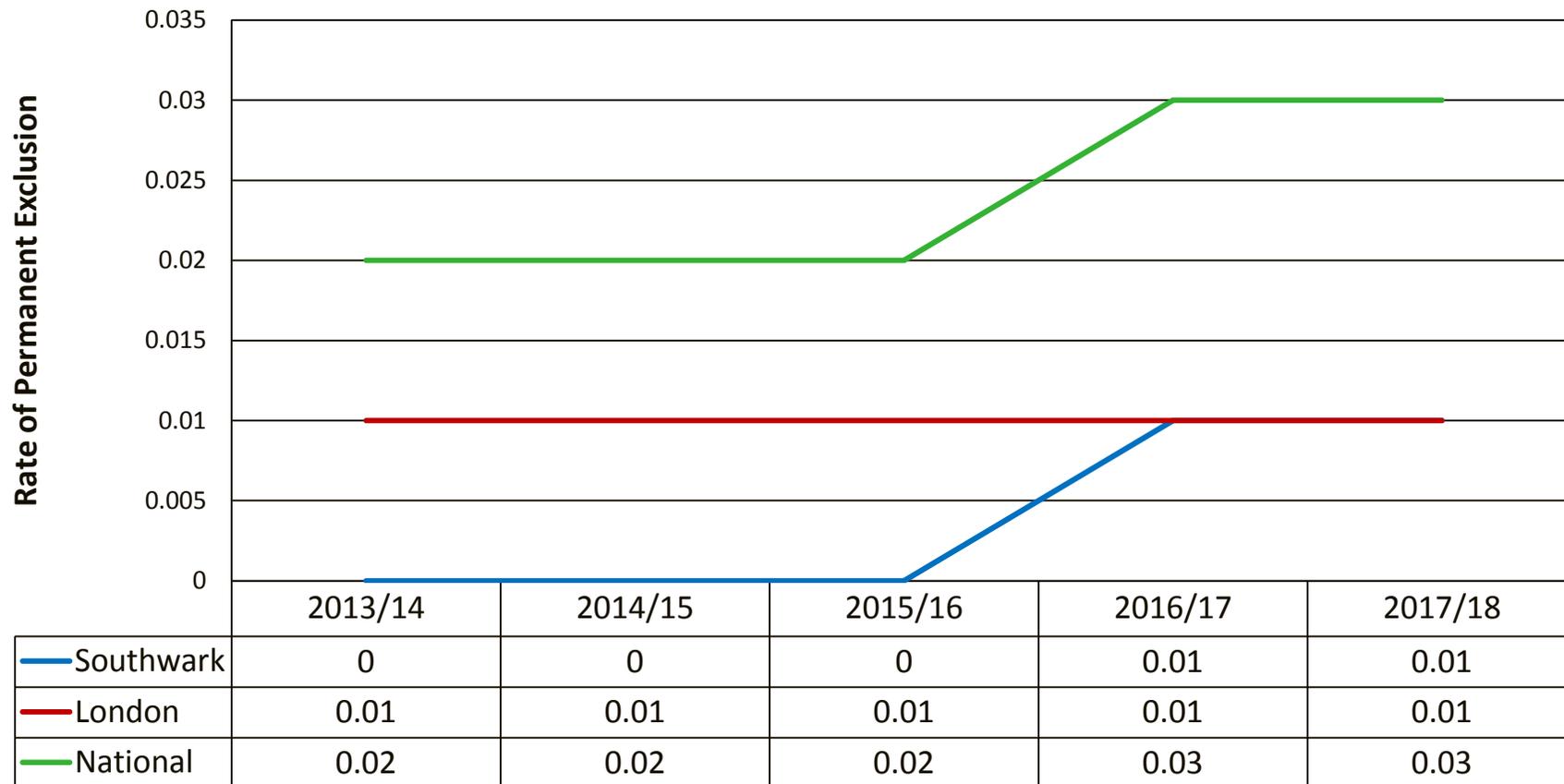
Secondary schools: Fixed Period exclusions

**Comparison of Secondary School Fixed Period Exclusion rates
2013/14 to 2017/18**



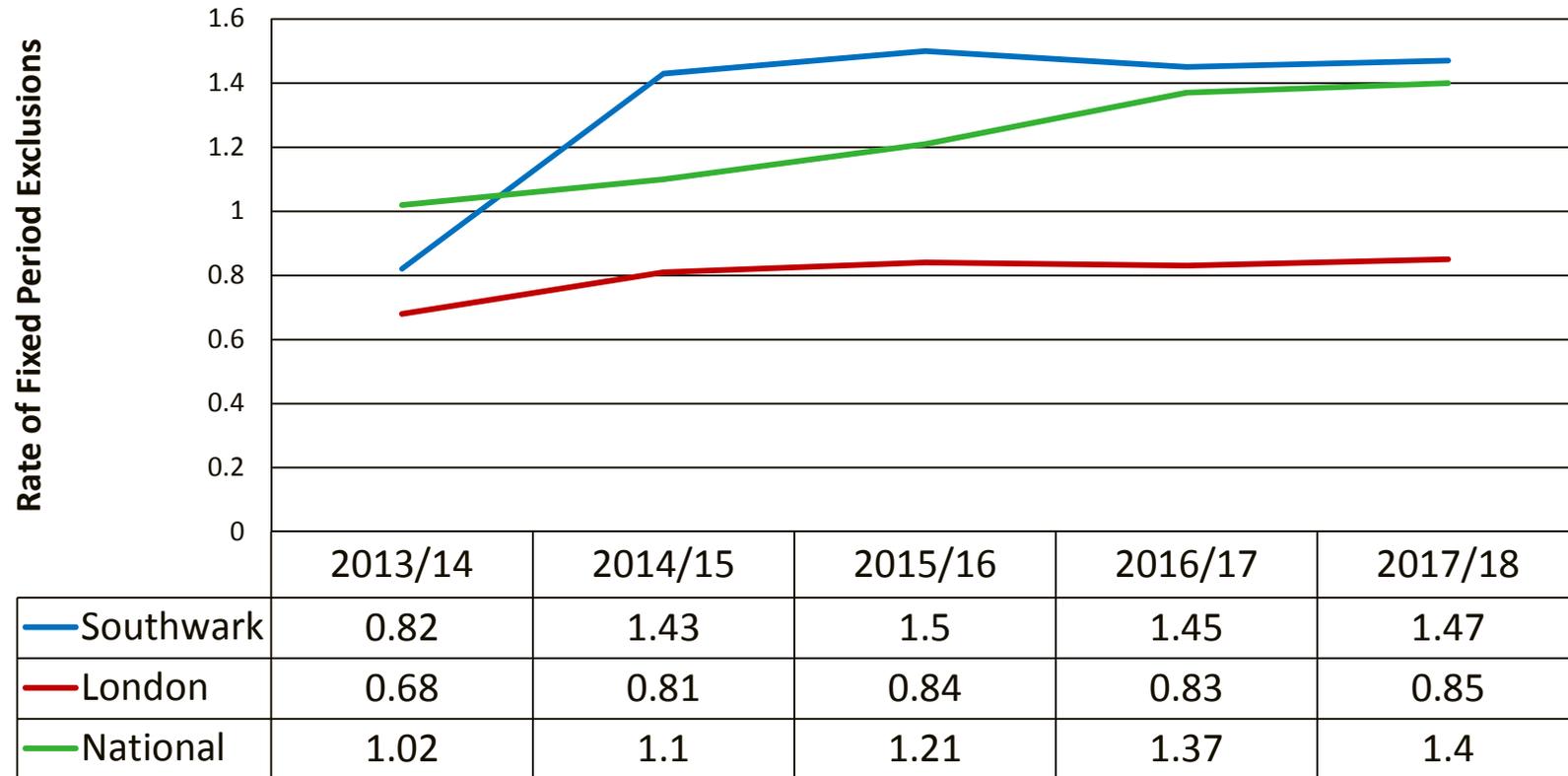
Primary schools: Permanent exclusions

**Comparison of Primary School Permanent Exclusion rates
2013/14 to 2017/18**



Primary schools: Fixed Period exclusions

**Comparison of Primary School Fixed Period Exclusion rates
2013/14 to 2017/18**



Education: Exclusions and alternative provision

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Executive summary

[To follow]

Summary of Recommendations

[List to be updated based on latest recommendations]

100% inclusion

1. **Southwark Council should champion a 100% inclusion commitment in conjunction with schools, embodied in a mutually agreed Charter and an annual inclusion report to track progress against its 100% inclusion target.**
2. **Southwark Council should conduct an action-focused review into the disproportionate representation of BAME children in Southwark's exclusion statistics**

Off-rolling

3. **The Council needs clearer procedures in place for identifying off-rolling and be more ready to challenge bad practice by schools.**

Home education

4. **The Council should conduct a comprehensive review of children currently being home educated to identify possible cases of forced home schooling, and where this is identified, help parents/carers to reintegrate their children into mainstream education.**

Alternative provision

5. **The Council must rethink the delivery and aims for alternative provision, moving towards a nurturing model with continued registration of children at mainstream schools wherever possible.**

Data

6. **The Council must be clear on which schools are under or late-reporting mandatory data to the Council and escalate these concerns more quickly.**

Regulatory reporting

7. **Where school conduct or data concerns are identified, the Council needs to escalate these more quickly with the appropriate regulatory body.**

Schools

8. **Schools should be actively encouraged to work together to peer review exclusions performance.**

School-Council partnership

9. **To underpin a shared 100% inclusion vision, Southwark Council should pursue a bold new partnership with schools, including greater information sharing from schools and resource allocation for "at risk" children as well. As part of this renewed partnership Southwark should create a fit-for-purpose equivalent of an Inclusion Officer.**

Part 1: Introduction and background

This Commission is concerned with the rising trend of exclusions in Southwark. Exclusions are a major concern as they lead to children missing out on an education, and are associated with a whole range of negative outcomes for children, from involvement in crime, risk of exploitation and long-term unemployment. We are also concerned that children from certain backgrounds and with certain characteristics may be disproportionately excluded in Southwark, as is the case nationally.

We are also concerned with the outcomes being achieved for children attending core alternative provision in Southwark.

The Commission's aim is to improve the outcomes for children living in Southwark, particularly vulnerable children who are at an increased risk of exclusion. We do not set out to criticise individual schools and we very much recognise that exclusions are rising in the context of a decade of austerity and a regulatory environment that has been established by central government. No schools want to exclude children. But with the ongoing trend towards rising rates of school exclusions, it is incumbent on Southwark Council to rise to the challenge and use all of its leverage to make sure that no child is left behind.

The national picture

Levels of fixed term and permanent exclusions

There is a national exclusions crisis. Numbers of permanent exclusions have increased from 4,630 permanent exclusions in 2012/13 to 7,900 in 2017/18, an increase of nearly 71%. Fixed term exclusions have followed a similar trend, increasing from 267,520 in 2012/13 to 410,800 in 2017/18, a rise of nearly 54%.¹ The significant majority of exclusions happen in secondary schools, with approximately 80% of fixed term exclusions and permanent exclusions happening in secondary schools.

Exclusions matter. Outcomes for children who have been excluded are markedly worse than children who have not been excluded. Children who have been excluded are far more likely to be arrested or cautioned with 23% of all young offenders having been permanently excluded in spite of only 0.2% of children at school being permanently excluded in any given year,² a third of children who complete their Key Stage 4 in alternative provision go on to become NEET (not in education, employment or training). Widespread concern about the human cost of rising exclusions led to a review led by Edward Timpson which produced a range of recommendations, many of which have not been implemented to date.³

Characteristics of excluded children

Nationally there is significant concern that certain groups are more likely to be excluded. The Timpson Review and related Department for Education research showed that BAME, particularly Black Caribbean, Gypsy, Roma and Traveller children, children with special education needs

¹ See <https://www.gov.uk/government/collections/statistics-exclusions>

² See joint Department for Education and Ministry of Justice research report, *Understanding the educational background of young offenders: Amended summary*.

report https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/814368/understanding-educational-background-young-offenders-amended-summary.pdf

³ Reported in the Timpson Review of School Exclusions.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/807862/Timpson_review.pdf

(SEN), Children in Need⁴ and those eligible for free school meals (“FSM”) are disproportionately excluded. For example, government statistics show that mixed race and black Caribbean children are three times more likely to be excluded than white British children.⁵

Off-rolling nationally

There has been increasing attention nationally to rates of off-rolling. Whilst off-rolling does not have a legal definition, Ofsted define off-rolling in their current inspection framework as “the practice of removing a learner from the provider’s roll without a formal, permanent exclusion or by encouraging a parent to remove their child, when the removal is primarily in the interests of the provider rather than in the best interests of the learner.”⁶

Data on the number of children being home educated nationally suggests there are 53,000-58,000 registered children being home educated in England alone, a figure which has increased in recent years and is very likely to be underreported because registration is voluntary.⁷ The BBC estimates that home educating has increased by 40% over the last three years.⁸ Home educating is very much a right of parents and carers and it is enshrined in the Education Act 1996 as such. However, concerns have been widely raised about the disproportionate numbers of children with SEN being home educated, as they are especially likely to need expert support, and there is also a concern that some home educating is actually disguised off-rolling, where parents/carers have been advised to remove their child from school or face them being excluded.

Alternative provision nationally

Alternative provision is used when children are excluded (or sometimes at risk of being excluded) from mainstream school. There are a wide variety of types of alternative provision, which can include e.g. arts therapy schools or other specific pedagogical approaches.

Alternative provision tends to be expensive. On average, a full time place in alternative provision costs £18,000 per year according to DfE figures,⁹ and rises to £24,000 per year on average in London.¹⁰

In spite of this huge costs, outcomes for children in alternative provision are consistently poor. Department for Education figures show that in 2017/18 only 1.6% of children attending Pupil Referral Units (PRUs) achieved between GCSE grade 9-5 in both English and Maths.¹¹

⁴ Defined as children who have received support, help or protection from social care, including looked after children, as well as those who have left care through adoption, Special Guardianship or Child Arrangement Orders.

⁵ <https://www.ethnicity-facts-figures.service.gov.uk/education-skills-and-training/absence-and-exclusions/pupil-exclusions/latest>

⁶ The education inspection framework (May 2019).

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/801429/Education_inspection_framework.pdf

⁷ Home Education in England, July 2019 House of Commons Briefing.

https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=2ahUKEwjP7dq0ud3nAhWQVBUIHVBoBQgQFjAAegQIBRAB&url=http%3A%2F%2Fresearchbriefings.files.parliament.uk%2Fdocument_s%2FSN05108%2FSN05108.pdf&usq=AOvVaw36CvKtk1hrLW6h4PY9PtjK

⁸ <https://www.bbc.co.uk/news/uk-england-42624220>

⁹ Alternative Provision market analysis (October 2018).

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/752548/Alternative_Provision_Market_Analysis.pdf

¹⁰ According to a Freedom of Information response from the Department for Education. See:

<https://www.standard.co.uk/news/education/bring-the-excluded-in-from-the-cold-rise-in-school-exclusions-linked-to-rise-in-recruitment-by-a4327276.html>

¹¹ See alternative provision analysis tables 2017/18.

<https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=2ahUKEwjQprqFs93nAhUoSxUIHVdABhkQFjAAegQIAxAB&url=https%3A%2F%2Fassets.publishing.service.gov.uk%2Fgovernment%2>

The local picture

Southwark's overall performance

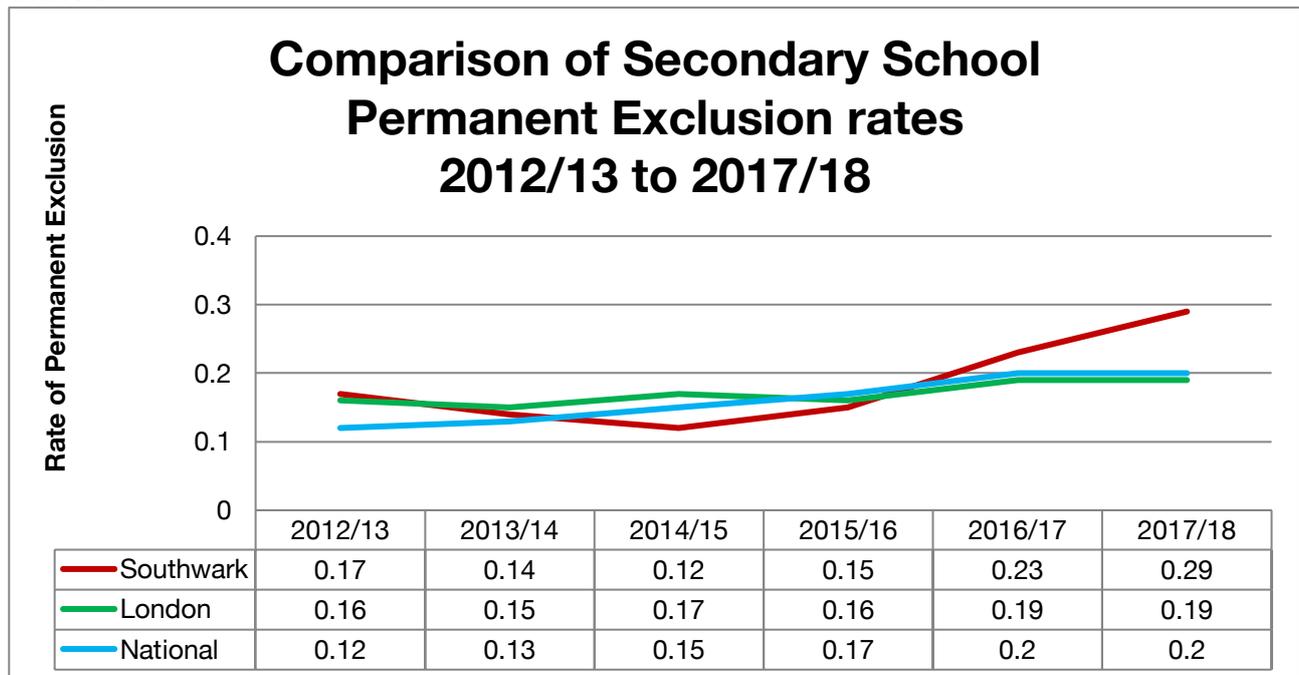
Southwark's schools are performing exceptionally well overall in a time of constrained budgets and high levels of vulnerability. 93% of Southwark's schools are rated good or outstanding, and 33% are outstanding, with the significant majority of Southwark's children achieving good levels of development in their early years right through to their GCSEs and beyond.¹²

Levels of exclusions in Southwark

However, Southwark has largely followed the national trend of rising exclusions. Rates of exclusion have nearly doubled since 2012/13, and after dipping below London and national rates for two years, Southwark now excludes children from secondary schools at a rate above the London and national rate (see Chart 1, below). Preliminary figures provided by officers suggest that there has been a decline in 2018/19 figures, but the Department for Education is yet to release definitive figures for that year.¹³

[To add absolute figures for 2012/13 and 2017/18 for paragraph.]

Chart 1



Southwark's fixed term exclusions have also been increasing over the period. As of 2017/18, Southwark had a rate of 8.67%, above the London average of 7.63% but below the national average of 10.13%.

[Fuploads%2Fsystem%2Fuploads%2Fattachment_data%2Ffile%2F772848%2F2018_AP_tables.xlsx&usg=AOvVaw0GwNeBzhnf_MHAevcLopIV](#)

¹² See Southwark's Standards Report 2018/19.

https://schools.southwark.gov.uk/assets/attach/5641/FOR_PUBLICATION_19.12.05-Final-School-Standards-report-18-19-Cabinet-Submission.pdf

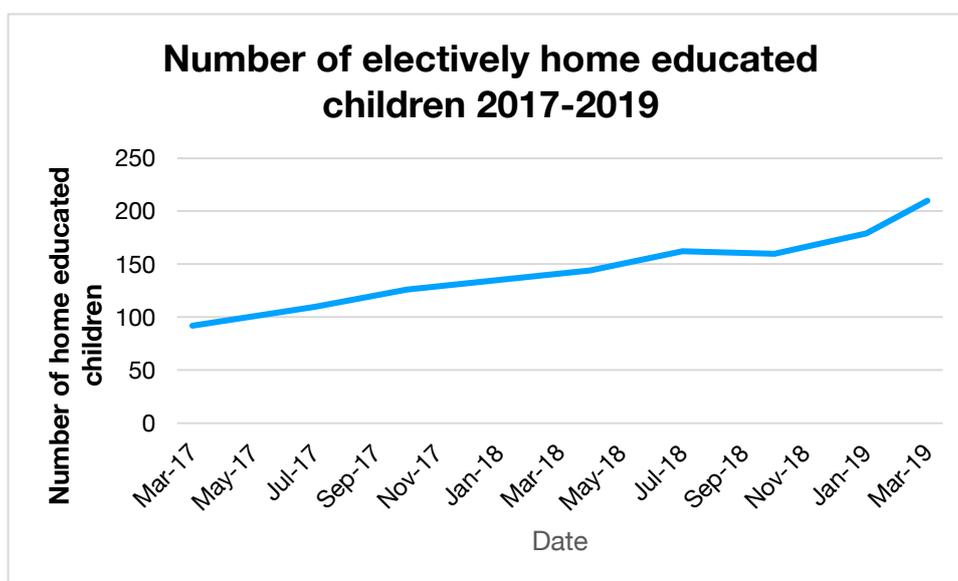
¹³ Southwark's figures suggest there have been 51 exclusions across Southwark's secondary schools in 2018/19. National statistics state that there were 47 exclusions in 2017/18 (Southwark's figures suggest there were over 60 permanent exclusions in 2017/18). The discrepancy may be due to reporting of exclusions of Southwark children educated outside of Southwark, and non-Southwark children excluded from Southwark schools.

Permanent exclusions of primary school children in Southwark are rare. Southwark's rate of primary school exclusion have matched London levels over the last two years (at 0.01%), but they remain significantly below the national average of 0.03%.

Home education in Southwark

Rates of home educating in Southwark have risen significantly in recent years. The number of home educated children in Southwark has more than doubled since March 2017, from 92 to 216 children of statutory school age (5-16) (see Chart 2).

Chart 2



Alternative provision in Southwark

Southwark commissions 100 places in an offsite Pupil Referral Unit (“PRU”) across two locations in Southwark, one for key stage 3 (Davey St) and another for key stage 4 (Porlock Hall) for children that have been excluded from mainstream education.

Results for children in alternative provision in Southwark broadly reflects the national trend. In Southwark, in 2017/18, no children attending alternative provision achieved between grade 9-4 in English and Maths.¹⁴

Of the children attending Southwark’s PRU, 45.5% are eligible for Free School Meals, nearly 91% receive SEN support and nearly 7% have Education, Health and Care Plans (“EHCPs”), reflecting these children’s high levels of vulnerability and need.¹⁵

¹⁴ See

https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=2ahUKewiQprqFs93nAhUoSxUIHVdABhkQFjAAegQIAxAB&url=https%3A%2F%2Fassets.publishing.service.gov.uk%2Fgovernment%2Fuploads%2Fsystem%2Fuploads%2Fattachment_data%2Ffile%2F772848%2F2018_AP_tables.xlsx&usq=AOvVaw0GwNeBzhnf_MHAevcLopIV

¹⁵ An EHCP outlines any special educational needs a child has, and the provision a local authority must put in place to help them. Children receive an EHCP if they are found to qualify following a formal assessment.

The regulatory environment

The broader context for educational provision in England has changed considerably since 2010. Academisation has become the norm (of Southwark's 18 secondary schools, 3 are community foundation or voluntary aided schools, 13 are academies and 2 are free schools). Southwark also has 7 special schools which serve children with particularly acute physical, educational or mental health needs which mean they cannot be well served by mainstream schools.¹⁶ Southwark Council no longer maintains secondary schools so its powers, influence and control over schools is fundamentally restricted. As part of this review, the Commission explored the new regulatory environment and the respective roles of Southwark Council, individual schools, Ofsted, the Regional Schools Commissioner ("RSC") and the Education and Skills Funding Agency ("ESFA"). In summary, in respect to exclusions:

- Education and Skills Funding Agency: The ESFA generally takes responsibility for financial management. Academies enter a Funding Agreement with the ESFA, which sets out how the academy should be run, so breaches (including off-rolling) can be reported to the ESFA.
- Ofsted: Off-rolling and gaming are assessed as part of Ofsted's inspection framework and can lead to a school receiving an inadequate rating. Ofsted also monitors data to inform it of possible off-rolling.¹⁷
- Regional Schools Commissioner: The RSC can intervene in relevant schools that Ofsted has deemed inadequate and supporting those requirement improvement. The RSC Has a remit covering 22 boroughs in South London and the south of England, and as such will typically engage at a trust level rather than with individual schools.¹⁸
- Schools: Whilst there is some variation between the type of school, schools are principally responsible for educating children, properly conducting exclusions and schools are required to abide by equalities requirements. Permanent exclusions may only be conducted by a headteacher following a formal process and schools are required to give particular consideration to the fair treatment of pupils from groups who are vulnerable to exclusion. Under current arrangements, schools ultimately have a wide discretion, within specified rules, as to when they decided to exclude children.¹⁹

Part 2: What we did

Methods

School exclusion is a complex issue with many stakeholders. To ensure that the Commission truly grasped this complexity and understood how we can reverse the current exclusions trend, we took a comprehensive approach to gathering evidence for our report. We interviewed various council officers, surveyed local schools (including academy chains and Dioceses for faith schools), we heard from young people with direct experience of exclusions and we surveyed children, parents and carers across Southwark to try and understand why exclusions are rising. We also spoke with a range of government officials including the Regional Schools Commissioner

¹⁶ In this report we do not look at the performance of special schools. The Commission notes that of Southwark's 7 special schools, 5 are rated outstanding, and their overall performance is well above the national average and in line with the London average.

¹⁷ The education inspection framework (May 2019).

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/801429/Education_inspection_framework.pdf

¹⁸ A full list of Regional Schools Commissioner responsibilities is available here:

<https://www.gov.uk/government/organisations/regional-schools-commissioners/about#responsibilities>

¹⁹ See *Exclusion from maintained schools, academies and pupil referral units in England*

Statutory guidance for those with legal responsibilities in relation to exclusion (September 2017).

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/641418/20170831_Exclusion_Stat_guidance_Web_version.pdf

and Ofsted. Members of the Commission visited Southwark's PRU and we heard from alternative provision providers in other local authorities as well.

The Commission's work draws heavily on other research into exclusions. The Commission looked at previous reviews including the Timpson Review, and a range of other research looking at the current trends in exclusions, why they are happening, who exclusions are disproportionately happening to and the current state of alternative provision as well.

Stakeholders

To include list of Commission interviewees and minuted contributors as an appendix

Part 3: What we found

Exclusions

There is a worrying trend in recent years of rising rates of exclusions in Southwark, which is disproportionately impacting those with SEN and schools with high levels of FSM eligibility

The Commission is clear that there is a worrying trend of exclusions in Southwark. Exclusions have nearly doubled since 2012/13 and this has an unacceptable human cost.

Commentary provided by officers suggested that Southwark's exclusions do not disproportionately affect BAME children (black people represent approximately 45-46% of the under 20 population and exclusions for the last year where the Council can provide sufficient breakdown by ethnicity), although there is some concern that children born with dual heritage may have been over-represented in the last 1-2 years. The Commission does have some outstanding concerns regarding the accuracy of this data though, as in Cllr Jasmine Ali's (the Cabinet Member for Children, Schools and Adult Care) presentation to the Commission she provided figures stating that 82% of excluded children are BAME. This discrepancy is a concern.

Commentary provided by officers suggested that Southwark's exclusions do not disproportionately affect BAME children, although they did raise concerns that children born with dual heritage may have been over-represented in the last 1-2 years. However in Cllr Jasmine Ali's (the Cabinet Member for Children, Schools and Adult Care) presentation to the Commission she provided figures stating that 82% of excluded children are BAME, and these figures were later confirmed by officers. Given black people represent approximately 45-46% of the under 20 population these figures show that BAME children are significantly over represented. It is a concern that officers have not identified BAME children as a group experiencing a disproportionate amount of exclusions or developed a corresponding action plan.

Children with some form of SEN heavily figure in Southwark's exclusion statistics, representing 39-45% of children who are permanently excluded. Other data provided by officers suggests the figure may be higher, as nearly 98% of children in Southwark's PRU have either SEN support or an EHCP.²⁰

Over the last three years Southwark has had between 328 and 355 looked after children of school age. 51 (or 16%) of looked after children of school age received a fixed term exclusion in 2018/19, compared to 45 (13%) in 2016/17 and 63 (18%) in 2017/18, with 2 permanent exclusions (0.06%) in 2018/19 (from 4 (or 1.1%) in 2016/17 and 1 (0.3%) in 2018/19). TBC proportion of school age children that are looked after children represent.

²⁰ This difference could potentially be driven by excluded children being home educated, but it is unlikely to account for such a steep difference.

Available data shows a clear correlation between schools with higher rates of exclusions and roll deletions and their proportion of FSM-eligible children. Of Southwark's 18 schools, 5 of the 9 schools with the highest FSM eligibility have above average rates of permanent exclusion, whereas only 2 of the 9 schools with the lowest rates of FSM eligibility have above average rates of permanent exclusion.

A small number of academy chains are responsible for a majority of exclusions in Southwark

Officers provided information on exclusion numbers and rates by schools and the reasons given for exclusions. From this data we saw that:

- A small number of academy chains are responsible for the majority of exclusions in Southwark and are excluded at a rate higher than other schools in Southwark.
- Persistent disruptive behaviour and unspecified "other" reasons – which includes carrying an offensive weapon - appear to be the main reasons for children being excluded from Southwark's schools.

Data on the reasons for exclusion was provided up to 2017/18 but the last full term of data is for 2016/17. In 2016/17 and 2017/18 the two main reasons for exclusion were persistent disruptive behaviour or a catch-all "other" reason ("other" does include exclusions for carrying an offensive weapon). Persistent disruptive behaviour accounted for 28% of exclusions in 2016/17, and "other" accounted for 30% of exclusions in 2016/17. Physical assault against a pupil or adult accounts for 20-30% of exclusions for most recent years and does appear to be an important driver, but it regularly accounts for less exclusions than persistent disruptive behaviour.

These codes are broad enough to make it difficult for the Commission to say precisely what is driving exclusions. Whilst we recognise that many exclusions will have been conducted due to a concern for the welfare of other pupils, the coding used leaves very much open the possibility that an increase in "zero tolerance" approaches to discipline is helping to drive the increase in exclusions.

Data the Commission reviewed shows us the differing exclusion rates across Southwark's secondary schools (see Table 1 below). The data shows us that two academy chains, Ark and Harris, appear to be excluding children at well above the average for Southwark. Harris Academy Peckham's rate of exclusion are of particular concern, as they were the highest in absolute numbers in 2016 and still increased by 150% in 2017/18 (from 6 to 15 children).

Table 1: Number of Permanent Exclusions from secondary schools

School	2014/15	2015/16	2016/17	2017/18	Average
Ark All Saints Academy	1	4	0	1	1.5
Ark Globe Academy	7	3	3	5	4.5
Ark Walworth Academy	3	2	3	6	3.5
Bacon's College	4	3	1	3	2.75
The Charter School	0	1	3	2	1.5
The Charter School East Dulwich	n/a	n/a	0	0	0
City of London Academy (Southwark)	0	1	3	3	1.75
Compass School Southwark	0	1	3	2	1.5
Harris Academy Bermondsey	0	1	5	2	2
Harris Academy Peckham	2	3	6	15	6.5
Harris Boys' Academy East Dulwich	0	1	4	4	2.25
Harris Girls' Academy East Dulwich	1	1	4	0	1.5
Kingsdale Foundation School	0	0	0	0	0
Notre Dame Roman Catholic Girls' School	0	1	0	0	0.25

Sacred Heart Catholic School	0	0	0	1	0.25
St Michael's Catholic College	0	0	1	0	0.25
St Saviour's and St Olave's Church of England School	0	0	0	0	0
The St Thomas the Apostle College	0	0	0	1	0.25
University Academy of Engineering South Bank	0	0	0	2	0.5
Totals	18	22	36	47	1.62

* Schools' annual rates that are highlighted red in the table above are well above the 4-year average number of exclusions

This data suggests that Southwark's exclusions crisis is being driven by a minority of schools, but it also reflects that exclusions are becoming more widespread.

The Commission gratefully received a comprehensive response from Ark analysing the rates of exclusion across its schools. The Commission noted, some differences in the reported rates of exclusions – in particular, Council data indicates there were 5 permanent exclusions from Ark Globe in 2017/18, whereas figures provided by Ark Globe indicate there were 3 permanent exclusions.²¹ Ark's submission did indicate an encouraging downward trend across most Ark schools in permanent and fixed terms exclusions and student mobility (students deleted from the roll), with real successes in lowering rates of fixed term exclusions in particular. However, the Commission does remain concerned that, whilst Ark schools perform only marginally worse than the national average in permanent exclusions across a number of schools, once controlling for the proportion of disadvantaged students,²² taken together, this does leave Ark schools with higher rates of exclusion than most other schools in the borough, on average. The Commission very much welcome Ark's willingness to keep working on an inclusive approach and further improving their results.

The school received no response from Harris. Whilst we cannot identify what has driven the exceptionally high levels of exclusions in Harris Academy Peckham, we do hope that Harris schools will work closely with Southwark, and indeed with other schools, to bring down rates of exclusions across all of its schools that are under-performing the Southwark average in this area (3 out of 4).²³

As we explore later in this report, there is clearly a range of good practice in Southwark, with many schools working very hard to avoid exclusions, and using permanent exclusion only after trying a wide range of alternatives. Available information does lead the Commission to conclude that several other schools, for whatever reason (whether resources, ethos, or strategy) are quicker to resort to exclusion.

From excluded children and their families, we hear the human cost of exclusions and need for change

The Commission heard from children who have been excluded in Southwark about their experiences. Their stories painted a picture of exclusions – fixed and permanent – being carried out in far too casual a manner, and often on grounds most would agree are unreasonable. The Commission were particularly struck by some of their stories:

²¹ This may be due to different reporting practice for reporting exclusions of non-Southwark children in Southwark schools.

²² Ark calculate this based on having a high proportion of student who attract pupil premium payments, which includes pupils in receipt of FSM and select other criteria.

²³ Only Harris Girls Academy East Dulwich is below the Southwark average, and even here there is a relatively high rates of permanent exclusions for a girls school given girls were excluded at less than a third of the rate of boys nationally in 2017/18 according to national statistics

- Chanay, shared with the Commission how she had received a fixed-term exclusion for eating a biscuit in class, which she was eating because she had skipped lunch to catch up on work. She had also received a fixed-term exclusion for forgetting her PE kit at home.
- Olamide told the Commission how she had been fixed-term excluded for the behaviour of her friends even though she was not in the class at the time.
- Alex shared how he had received a 5-day fixed term exclusion for opening a door too hard.
- Alex also shared with the Commission that he had been permanently excluded on what he believes were ultimately attainment grounds, having missed an exam due to illness.

To incorporate survey evidence once collated.

These stories provide a compelling but anecdotal picture of practices taking place in schools. Combined with the picture provided by national and Council data, there is a plausible case that a greater willingness to exclude in certain schools has been a key driver of increasing rates of exclusion. The young people who spoke to our Commission made a compelling case for introducing a Charter which would set out an additional code of conduct for schools when considering exclusions, as well as a clear commitment to eliminating the need for exclusions over time and for the Council to produce an annual report on exclusions performance. Several of our findings point towards the need for an ambitious partnership between schools and the local authority, which such a Charter could be a compelling component of, if there is sufficient shared commitment between schools and the Council.

Off-rolling

Southwark is still getting to grips with identifying and responding to suspected off-rolling

Off-rolling is an increasing concern in Southwark and officers are still getting to grips with how to respond to off-rolling. Schools must notify the local authority when a pupil's name is deleted from the roll, but there can be a range of reasons why this happens so it is difficult to identify instances of off-rolling. The Council has a process in place for tracking this, with the Pupil Tracking and Licensing Team, that sit in Education Access.

In 2018/19 there were approximately 558 deletions from school rolls in Southwark's secondary schools. Table 2 below sets out the reasons given for children leaving school rolls. Whilst we cannot directly reach any conclusions based on these figures, they do show a large volume of children being registered to other schools (56.3%) suggesting possible managed moves (which do not have to be reported to the local authority), and a significant proportion of children whose whereabouts are unknown (10.6%). Officers told the Commission that efforts are always made to locate these children and usually the reason is something such as a move to a different area. However, as per the NEET report [\[TBC\]](#)

Table 2: Reasons for children leaving school rolls

Reason	Number	Percentage
On register of another school (moved school and/or formerly dual registered)	314	56.3%
Moved out of area – no longer residing at reasonable distance from the school	80	14.3%
Permanently excluded (<i>NB: in some cases, permanent exclusions were subsequently changed to managed moves</i>)	37	6.6%
Withdrawn for elective home education	47	8.4%
Continuously absent for more than 20 days, whereabouts unknown (or 10 days after authorised leave)	59	10.6%

Pupil at school other than maintained school, an academy or CTC ceased to be pupil of school (<i>NB: code used in error – this applies to independent schools only, not state funded provision</i>)	11	2.0%
Pupil will cease to be of compulsory school age before school next meets	8	1.4%
Unlikely to be in fit state of health to attend before ceasing to be of compulsory school age.	2	0.4%
Total	558	100%

Local authority data suggests that the schools with the highest levels of permanent exclusions are also the schools with the highest levels of deletions from the roll. For example, Harris Academy Peckham had 74 deletions from the school register in 2018/19 and Ark Globe Academy had 68 deletions, representing a quarter of all deletions from the school roll. Whilst this does not of itself indicate bad practice, it does suggest a possible area for concern as it could be indicative of parents/carers being persuaded to home educate children.

The Commission felt unclear whether the Council is at present identifying and challenging suspected instances of off-rolling robustly. Whilst officers rightly wish to maintain amicable relationships with schools, given the significant independence Southwark's many academies have, the Commission did not receive evidence relating to the Council's past oversight of off-rolling to reassure us that all suspected cases were being investigated and escalated as a matter of course.

Notwithstanding this, the Commission is encouraged by recent progress. Nina Dohel, the Council's Director of Education, spoke about additional steps the Council is taking to better identify and escalate suspected instances of off-rolling. She notified the Commission that recently the Council has been using a methodology piloted by Ofsted to identify schools that appear to be off-rolling. At present two Southwark schools have been flagged by Ofsted for further investigation. **Off-rolling report to be referenced once finalised**

The Commission welcomes these recent developments, but maintains the view that if we are to eradicate the practice of off-rolling, there needs to be a more robust process in place for identifying and escalating suspected cases, with officers having up to date lists of what proportion of school roll deletions represent potential off-rolling.

Home education

Numbers of home educated children are rising rapidly, and it is often the children with greatest levels of need being home educated

Numbers of children being home educated in Southwark has increased considerably in recent years, and children with high levels of need are disproportionately driving that trend.

Available data suggests that rates of home educating broadly reflect the ethnic composition of Southwark's under 20s. 53% of home educated children are boys, and whilst there is a big uptick on home educating in year 11 (roughly double the number of children in other years), there are similar numbers of children being home educated across all other year groups.

The profile of children being home educated is fundamentally concerning.

Concerningly, officers identified that:

“A significant proportion of home educating families in Southwark have or have had an additional needs or difficulties which might pose challenges to providing a suitable home education. 10% of home educated children are currently open to Children's Social Care,

Family Early Help, CAMHS or YOS while at least 33% of home educated children are recorded as having had contact with one of these services previously”

The Commission shares these concerns.

Alternative provision

Southwark’s main alternative provision is good, but student outcomes have been worsening in recent years

The Commission reviewed data on Southwark’s PRU, Southwark’s Inclusive Learning Service (SILS) and visited its two sites as well.²⁴

SILS has been rated by Ofsted as good in its most recent inspection.²⁵ All Commission members who visited SILS were struck by the dedication of the teachers and their clear commitment to the children in difficult circumstances. Many of the children in SILS were not well equipped to learn at their current level. Commission members were told about how many students reading age was half their actual age, and how unresolved behavioural issues made it hard for many children to manage an engaged full day of learning.

During the Commission’s two visit to SILS, we learned a lot about the issues that have brought children to SILS and how able they are to work with children as they would like:

- Children’s experience in mainstream: Many of the children attending SILS found the transition from primary to secondary school difficult, and trying to fit in often led to them showing off and behaving badly, a label that they then struggled to shake off.
- SILS resources: SILS argue that the needs of young people who are excluded are becoming more and more complex but their per place funding from the Council remains the same. Yomi Adewoye, Headteacher of SILS, spoke about how, when SILS had additional funding for a two-year period it was able to pilot a nurture model of teaching, more akin to a primary school setup, which seemed to really work for their children.
- Broader outcomes for students: SILS suggests that children would benefit from more vocational courses, more opportunities for apprenticeships and on-the-job learning for under 16s, as well as more community and voluntary sector support around the children.

The Commission reviewed performance data for SILS. Whilst the Commission appreciates the difficult circumstances in which SILS does its best to deliver for children in Southwark, SILS results are of real concern to the Commission. In all measures, the academic performance of SILS students was lower in 2017/18 than 2016/17, and the three-year trend (from 2014/15 to 2017/18) is down in all achievement measures. No child achieved 5+ GCSEs grade 9-4 in 2017/18, and since 2014/15 there have only been two children who have achieved 5+ GCSEs grade 9-4. The percentage receiving even 1 good (9-4) GCSE has been repeatedly falling, from 100% in 2014 to 28% in 2017/18.

These results are simply not good enough for our children, regardless of whether or not they have been excluded. During our first Commission, where we spoke with Nina Dohel, and Jenny Brennan, Assistant Director Family Early Help and Youth Justice, we collectively agreed that there needs to be a fundamental rethink of ambitions for alternative provision. Undoubtedly, this will have to recognise that academic achievement cannot be the only goal for children who have not been able to remain in mainstream schools, and the Commission welcomes any efforts to capture broader positive outcomes (such as the number of children reintegrated into mainstream schools, vocational and other qualifications obtained by children at SILS and more). But it also must

²⁴ Whilst the Council generally refers to a single PRU, it is based across two sites in Southwark, one principally for KS3 (Davey St) and another for KS4 (Porlock Hall)

²⁵ See Ofsted’s report on SILS here: <https://reports.ofsted.gov.uk/provider/22/135260>

identify ways and means to improve GCSE results given how strongly these are associated with a range of outcomes later in life.

Alternative provision needs the resources and commitment of schools to work better for Southwark's children

The Commission also heard from Ms. Adewoye, during one of our visits to SILS that some schools, at their own cost, send children to SILS before they are permanently excluded as part of an effort to try and “turn around” their trajectory. Such approaches, maintaining children on dual roll and leaving open the possibility of returning to their mainstream school, are to be applauded and encouraged. Excluding a child and sending them to SILS is a life-changing decision, which should demonstrably be a last resort.

Other submissions to the Commission made it clear that, for many children, intervening at secondary school is essentially too late, and effective early intervention at primary school can be a far more effective means of tackling exclusions. The Commission heard from Eileen Shannon, Head Teacher at Wandsworth's primary PRU, Victoria Drive, and Carol Self, Nurture Provision Lead from Wandsworth Council.

Other places beyond Southwark have great success in intervening early, reducing exclusions and keeping children out of secondary school PRUs

The Commission heard about the good work at Victoria Drive, their commitment to keeping students who attend dual rolled with their mainstream school, and their general intention to work with children for two terms with a major focus on social, emotional and mental health needs, as well as significant focus on writing, reading and maths. Victoria Drive has a Service Level Agreement with the NHS so that mental health needs can be supported on site. 3 CAMHS workers based in the school, funded by the NHS.

Of great interest to the Commission, Victoria Drive have conducted a tracking exercise of children attending Victoria Drive, which showed that no children that have attended Victoria Drive in recent years have resurfaced in Wandsworth's secondary PRU, Francis Barber. Ms. Shannon and Ms. Self put this down to a combination of the work done by Victoria Drive, and their success in getting EHCP in place in the many cases where children remain vulnerable.

The Commission also heard from the lead Cabinet Member for Children, Schools and Adult Care, Cllr Jasmine Ali. Cllr Ali shared the Commission's concerns regarding the rising rates of exclusions and the challenging results for children attending SILS. Cllr Ali provided a presentation setting out how future Council plans could involve a shift from off-site alternative provision towards on-site alternative provision in Southwark's mainstream schools, with direct support to high excluding schools as they transition towards this new world.

From further afield, we know that nurture-based models show real promise at lowering rates of exclusions and may be an important part of refreshing Southwark's approach to alternative provision. In Glasgow, PRUs have been closed and replaced with nurture units which are onsite in mainstream schools.²⁶

Maureen McKenna, executive director of education at Glasgow City Council, advised London to adopt a “nurturing” approach to its children. She told Lib Peck, the head of City Hall's violence reduction unit: “You have got to get rid of your PRUs. It's like putting all the young offenders together. For gangs, they just wait outside the gate.”

²⁶ See Glasgow Model, which was assessed during a Lewisham visit and investigation: <http://councilmeetings.lewisham.gov.uk/documents/s61053/Exclusions%20Appendix%20C%20evidence%20from%20Glasgow.pdf>

Education Scotland reports that Glasgow’s exclusions have dropped by 80% since 2006/07.²⁷ Glasgow’s approach shows real promise and is an important one for Southwark to learn from, notwithstanding the different regulatory contexts in England and Scotland. As previously mentioned, SILS had positive experiences of piloting a nurture-based approaches, further confirming the relevance of lessons from Glasgow.

Even from the Commission’s limited work, we are convinced that SILS and its staff can deliver more, and that the Council should work with them to improve outcomes for children who have been permanently excluded or are at risk of permanent exclusion. The Commission looks forward to seeing the further development of the Council’s plans for alternative provision, and our findings on the work of PRUs elsewhere, and school’s requests for additional support and new partnerships with the Council (see School and Council Partnership section, below), present a major first step and framework towards achieving these goals.

The Data Landscape

Southwark receives mixed quality data from schools, hampering its understanding of the issues

Schools are legally required to provide local authorities with certain data, for example regarding fixed term and permanent exclusions, and deletions from the roll. There is other data that can be provided on a voluntary basis but does not statutorily need to be provided, e.g. data on managed moves, where a child is moved from one school to another as an alternative to permanent exclusion.

The Commission is concerned about the timeliness and accuracy of data that certain schools provide to the Council. In our first meeting, officers reported that data received directly from schools showed that in 2017/18 there had been 241 fixed term exclusions in Southwark schools, but Department for Education data released shortly before the Commission’s first meeting showed that there had been over 1,800 fixed term exclusions. Officers reflected that data on fixed term exclusions in particular is not adequate or consistent, with the Council only receiving notification of a small fraction of incidences, even though they are required to report these to the Council.

The Commission has some concerns about how Southwark Council is analysing the data that it does receive

The Commission received an officer report stating that BAME children are not over-represented in Southwark’s exclusion figures, but the Commission was later presented with figures stating that 82% of excluded children in 2017/18 were BAME (see Table 3 below).

Table 3: Proportion of BAME children in exclusions from Southwark schools

Proportion	2014/15	2015/16	2016/17	2017/18	2018/19
Total permanent exclusions	31	40	50	61	35
No. BAME exclusions	23	31	39	50	15
% BAME exclusions	74%	78%	78%	82%	70%
% BAME exclusions Southwark school, Southwark child	81%	72%	76%	78%	61%
% BAME exclusions Southwark school, non Southwark child	100%	75%	83%	100%	100%
% BAME exclusions Non-Southwark school, Southwark child	62%	83%	80%	83%	82%

²⁷ See reporting on fall at <https://www.glasgowlive.co.uk/news/glasgow-news/glasgow-school-exclusion-figures-drop-16024952>

Further, the Commission were provided with data that in 2016/17 there were 36 exclusions, but also with data providing reasons for exclusion for 50 exclusions in 2016/17. Reviewing publicly available national statistics released by the Department for Education, they state that there have been 36 secondary school exclusions in Southwark in 2016.²⁸ The Commission notes that this later disparity may be due to legitimate differences in reporting practices.²⁹

Our concerns regarding the quality of data the Council is getting and how well it is being analysed are also reflected in data available on managed moves. Whilst the Commission fully accepts that this data is voluntarily provided by schools, reports received by the Commission have pointed to markedly different success rates. In the Commission's first meeting, the Commission were told that 1/3 of managed moves were successful, but later reports to the Commission reported that 46% of managed moves were successful.

The Commission welcomes the commitment from officers to reminding schools of their responsibilities and adding administrative capacity to help them do this.

Overall, the mixed quality of data Southwark is receiving feeds into and is further hampered by difficulties in analysing and consistently recording data.

Regulatory responsibilities

The regulatory arrangements for managing exclusions and off-rolling is complex and makes council leadership difficult

The regulatory arrangements for managing exclusions and off-rolling is complex and intentionally designed to place decision-making at a school level rather than at a local authority level.

This arrangement was very much reflected in the Commission's conversations with the Regional Schools Commissioner for south London and south-east England, Claire Burton. Claire Burton kindly agreed to speak to the Commission very early into her role, and gave the Commission honest and open responses to our queries. The Commission raised cases of possible off-rolling, possible breaches of equalities requirements on schools and in all cases, in line with the regulatory environment, she rightly reflected that, whilst the RSC, ESFA and Ofsted have some relevant duties, they will not typically look at such individual cases. In fact, Ms. Burton reflected that she sees her role as engaging at a trust, rather than an individual school level. Given the broad geographical coverage of RSCs (Ms. Burton covers 22 local authorities), this is unsurprising.

However, it does leave an open question, which the Commission reflected on in the majority of its sessions. Whilst Ofsted investigates cases of off-rolling under its new inspection framework, it is clearly limited in the amount of proactive work it does beyond formal inspections. The ESFA is a national body and has limited capacity to pursue suspected funding agreement breaches by individual schools. So, this leaves a significant, but non-formalised responsibility to local authorities, who liaise with the RSC and inspectors from Ofsted in particular, as well as the ESFA, to share information, identify and tackle underperformance. But of all these agencies, the local authority has limited powers – beyond a requirement that the local authority receives certain data – to investigate problems or enforce breaches.

Ms. Burton stated that in cases of local authority concerns, she would expect issues to be raised with her as the RSC and/or Ofsted and be addressed by them and/or the ESFA. But the

²⁸ See permanent and fixed-period exclusions in England 2016-17.
<https://www.gov.uk/government/statistics/permanent-and-fixed-period-exclusions-in-england-2016-to-2017>

²⁹ Possible reporting differences could include different reporting of Southwark children excluded from non-Southwark schools or non-Southwark children excluded from Southwark schools.

Commission was left unclear about the extent of issues that would need to arise for this escalation to work effectively. Similarly, the RSC said she would expect her team to get involved if local authorities are receiving mixed quality data, as appears to be the case in Southwark.

Martin Finch, one of Her Majesties Inspectors for Ofsted, spoke to the Commission. He made clear that Ofsted was prepared to give schools an inadequate rating if they had concerns that off-rolling was occurring in a school. The Commission felt that there is sufficient leeway in Ofsted's stated approach, that these concerns would likely have to be repeated and persistent in order for action to be taken.

Taken together, local authorities are trying to drive up performance with limited tools to make it happen. All of the Commission's findings and recommendations need to be interpreted in this context.

School and Council partnership

The Commission recognised the importance of speaking to schools about their experience of exclusions, what they are doing to prevent them and why they feel they are happening. We heard from schools via responses to a request for information sent to all secondary schools in Southwark, and the Commission Chair also attended a Council-organised "Keeping Children in Education" Head Teachers' conference. From these things, several key messages arose:

- Good practice: Many schools are going to great lengths to be inclusive and are working well with Southwark, but this practice does not seem to be being shared well via existing channels.
- Local authority support: Many schools feel that the local authority could do more to provide support to young people who often have mental health issues but do not meet the threshold for CAMHS referrals.
- Bold vision: Schools recognise that they need to do more and appear open to a bold new arrangement to prevent exclusions.

Many schools are going to great lengths to be inclusive and working well with Southwark

The Commission received submissions from the Church of England Diocese and the Catholic Diocese, who oversee their respective faith schools in Southwark. As reflected in Table 1, many of Southwark's faith schools have dramatically lower rates of exclusion than other schools. Dr Rachel Norman, Secondary School Advisor, spoke on behalf of the Church of England Diocese. Dr Norman shared several specific strategies schools take to avoid exclusions, including:

- Using internal alternatives to fixed term exclusion, including e.g. cooling off areas, therapeutic bases where specialist practitioners can work through issues with students.
- Pro-actively using alternative curricula and guided pathways to prevent students from becoming disengaged and disaffected, as this can be where more serious problems occur.
- Regular parent contact with students schools are concerned about, so that even if a fixed term exclusion occurs, it is not a shock to the family and does not lead to a deterioration in relations and there can be a united front where parents support the action.
- Wrap-around provision, including pre and post-school activities, holiday clubs and more to provide wholesome outlets for children.

Dr Simon Hughes represented the Catholic Diocese. He affirmed that schools under his supervision used many of the same approaches, and had a broad emphasis on restorative practices as well.

Taken together, the Commission strongly felt that useful lessons could be learned from schools that have achieved low levels of exclusion despite having similar demographic and educational

profile (e.g. SEN) mixes as worse performing schools. Were such learning peer-based, and more in depth than occurs under current arrangements, it could play an important role in propagating good practice. This very idea was discussed at the Head Teachers' conference and appeared to be supported by several heads across Southwark.

Schools believe that the local authority could do more pre-emptive work to avoid exclusions

At the Head Teachers' conference, several Heads raised a concern that when they identified children at risk of exclusion due to behavioural issues or conduct disorders, it was often difficult to get support from the Council. Heads strongly suggested that some way of ensuring children who were likely to become at risk of exclusion received appropriate mental health or specialist support would be broadly welcomed.

Heads also mentioned that they felt the local authority previously had a dedicated "Inclusion Officer" that played a far more involved role in the early identification of children at risk of exclusion and would broker conversations between schools, help secure early support, and generally help schools to avoid excluding children. Heads felt that the local authority had markedly stepped away from this role in recent years. One head mentioned that she felt, whilst there was still a relevant "lead" who now sat in Early Help, they no longer had the contact time or close relations with schools to effectively play the broker. The Commission cannot say for certain whether any staffing reconfiguration has impacted the Council's ability to support schools in avoiding exclusions, but it is important that we recognise schools' concerns in this area and that the Council looks into the issue.

100% inclusion is possible, but it requires radical ambition from Southwark, and schools

More generally, schools that have provided responses to the Commission and heads that have spoken with Commission members have been clear that they support a bold vision from the local authority to reduce the current exclusions trend, but that they want to see this vision supported by clear commitments to do things differently and to work in close partnership. Whether in looking at improving CAMHS access for children at risk of exclusion, improving coordination support from the Council, or challenging schools to share data more readily and to commit to taking more steps to avoid exclusion, there is a clear recognition that schools and the local authority need to have frank and open conversations about what must be done to ensure that no child is left behind and to better support every child to fulfil their potential.

To receive evidence from Matt Jones as chair of SASH in final Commission meeting which may be reflected here

Part 4: Recommendations

Inclusion recommendations

Recommendation 1: Southwark Council should champion a 100% inclusion commitment in conjunction with schools, embodied in a mutually agreed Charter and an annual inclusion report to track progress against its 100% inclusion target.

Councils need to pursue a radical new settlement with schools to end the trend of rising exclusions.

As a first step, create a Charter for inclusion in conjunction with schools. Whilst the content of any Charter will be for the Council and schools to agree, any Charter should:

- Set out a clear values statement with a commitment to achieving 100% inclusion.

- Include a time bound commitment (the Commission suggest 2022) to achieving zero permanent exclusions.
- Agree best practice for conducting exclusions in the interim with schools, including having a clear escalation process that tries steps including dual rolling children in PRU before pursuing permanent exclusion.

The Council should produce an annual inclusion performance report that reports on progress towards the 100% inclusion target and all related activities to deliver it

Such a report needs to go into more detail on progress than the annual schools report. The report would include an activities update for the Council and schools, and progress against every Charter commitment.

Recommendation 2: Southwark Council should conduct an action-focused review into the disproportionate representation of BAME children in Southwark’s exclusion statistics

The Commission identified errors in Council data which under-reported the number of exclusions for specific groups of BAME children. Going forward this data must be monitored more closely, and the Council should take clear steps to understand why certain BAME children are over-represented in exclusions and to work with schools to address the issue. [TBC if looked after children need to be covered as well based on latest statistics].

Off-rolling recommendation

Recommendation 3: The Council needs clearer procedures in place for identifying off-rolling and be more ready to challenge bad practice by schools.

The Commission welcomes current efforts to draw on Ofsted’s methodology to conduct analysis in this area. The Commission recommends that the Council more broadly creates a clear process for identifying, challenging and escalating suspected cases of off-rolling. These improved procedures must also bottom out whether any groups are being disproportionately affected by off-rolling as well.

Home education recommendation

Recommendation 4: The Council should conduct a comprehensive review of children currently being home educated to identify possible cases of forced home schooling, and where this is identified, help parents/carers to reintegrate their children into mainstream education.

The Council must respect parents and carers right to home educate their children. But the Commission has identified serious concerns regarding the suitability of home education in many cases and the rate of increase of home schooling strongly suggests that parents/carers are being encouraged to off-roll their children. This must be investigated.

Alternative provision recommendation

Recommendation 5: The Council must rethink the delivery and aims for alternative provision, moving towards a nurturing model with continued registration of children at mainstream schools wherever possible.

The Commission is broadly supportive of working proposals for rethinking alternative provision which will be further progressed in conjunction with schools.

As an interim measure, the Commission requests a clear action plan for ensuring better outcomes for children currently attending SILS. Our findings suggests that this needs to be a combination of

changing the current model for SILS and better resourcing the wealth of good activity already taking place, to better support nurture-based approaches, and more vocational options for students.

Based on the Commission's findings, the Commission recommends that plans for improving alternative provision performance begin at primary, and that the Council draws on identified models for providing dedicated CAMHS support to children attending Summerhouse, to further aid early identification and treatment of mental health needs, as well as ensuring that all of those children who need EHCPs secure them. Dedicated funding to support this could be sought from the NHS (as in Wandsworth) and/or could be a core part of the Council's dedicated additional mental health core spending for schools.

Data recommendation

Recommendation 6: The Council must be clear on which schools are under or late-reporting mandatory data to the Council and escalate these concerns more quickly.

Schools have a clear obligation to provide the Council with timely exclusions data. Whilst the Council, quite rightly, seeks to maintain amicable relationships with all schools, this should not come at the expense of receiving timely data. Where data is late or there are concerns that data is complete, officers should keep comprehensive records of which schools are late providing data or schools that have provided incorrect data with no reasonable explanation for why this has happened.

Regulatory reporting recommendation

Recommendation 7: Where school conduct or data concerns are identified, the Council needs to escalate these more quickly with the appropriate regulatory body.

As confirmed by the Commission, off-rolling concerns should be raised with Ofsted and data reporting failures by schools should be raised with the Regional Schools Commissioner who will follow up together with the ESFA if necessary. Whilst the Commission does support strong partnership working with schools, the Council must do all it can to eradicate off-rolling and ensuring it has a proper picture of exclusions taking place.

School and Council partnership recommendations

Recommendation 8: Schools should be actively encouraged to work together to peer review exclusions performance.

There are vast differences in how many children are excluded by different schools. The Commission strongly recommends that schools are encouraged to work together to conduct detailed peer reviews of each other's conduct. The Council could help facilitate this by, for example, identifying 5 schools with the highest 5 rates of exclusion for 2018/19 and 5 schools with the lowest rates of exclusion, and they should do a detailed exercise of comparing exclusion practices, identifying problematic practices and developing clear plans for reducing exclusions. This recommendation will need to be driven by schools but should be facilitated by the Council as far as possible.

Recommendation 9: To underpin a shared 100% inclusion vision, Southwark Council should pursue a bold new partnership with schools, including greater information sharing from schools and resource allocation for "at risk" children as well. As part of this renewed partnership Southwark should create a fit-for-purpose equivalent of an Inclusion Officer.

From the Commission's work, we know that schools want

- A more comprehensive “at risk of exclusion” process that aids schools getting appropriate support around students, which could come from additional dedicated CAMHS support for children at risk of exclusion, for example.
- Improved early support from the Council via a dedicated “Inclusion officer” lead to further help prevent exclusions.

If Southwark is to become a 100% inclusion borough, the Council and schools must have open and frank exchanges about how both parties could help each other to achieve their shared vision.

The Council is clear that it needs better information from schools including voluntary information sharing. In particular, agreeing that schools will proactively share information on managed moves.

Councils and schools should also in this context consider whether any new Council-school for a are required to underpin Charter and partnership commitments, e.g. re-introducing of school behaviour and attendance partnerships as utilised elsewhere

Acknowledgments

The Chair would like to thank the Project Manager Julie Timbrell for providing invaluable support to the Commission in its investigations; all the officers, who provided a wealth of helpful information to the Commission; all of the people who spoke to the Commission including children who have experienced exclusions, the family of those excluded, officials and many more. The Chair would also like to thank Cllr Maggie Browning, who joined one of the Commission’s visit to SILS and reviewed an early draft of this report and Cllr Jasmine Ali for being very supportive of this Commission’s comprehensive review of Southwark Council’s performance and practices in this area. Finally, the Chair would also like to thank all of the Commission members for their commitment to challenging the growing exclusions culture in Southwark, along with its complex drivers.

**Education & Business Scrutiny Commission
Response to Cllr Peter Babudu (Chair)**

1. Could you update Commission on how additional budget allocated to the Fairer Futures Procurement Framework (FFPF) rollout will be spent?

Initially resources were allocated to recruit an external resource to assist in implementing the FFPF. This work included PM support to the Project Group, which was chaired by the Director of Law & Democracy. The Project group were responsible for the following:

- Finalising the FFPF following the Cabinet decision.
- Communicating and raising awareness of the FFPF with staff and external contractors.
- Undertaking amendments to guidance on the Source and reviewing / revising the Terms and Conditions of contracts to reflect the changes.
- Developing a programme of training for staff, to include the changes introduced by the FFPF and delivery of digital training.
- Writing to contractors on the Contract Register to inform them of the changes introduced by the FFPF.
- Requesting contractors sign up to the End Violence at Work Charter.

Moving forward the resource will be used to fund the following:

- Graduate Trainee role for the Procurement Advice Team; the role will take responsibility for developing a framework for the monitoring of outcomes for Contract Management around the FFPF and Social Value.
- Providing a small amount of additional resource to complete delivery of digital procurement training.
- Monitoring of the first pilots as detailed below to see how the Social Value element of the contract has been delivered and wider checking on implementation of FFPF to support the content of the report back to Cabinet.

2. How are new social value arrangements progressing? In particular, how have pilots gone (in highways, parking and anywhere else they've happened)?

Social Value is increasingly being added as an evaluation criteria in tenders over £100k. The first identified pilots were for:

a) Community Hubs (2 lots)

The Community Hubs contracts only had one of the two lots awarded. These were looking to reduce the number of providers directly engaged in delivering community support to older people and those with disabilities by acting as hubs from which needs could be accessed by individuals. Whilst some SV were made, the challenge was that by the nature to engagement with the community and services that the contract itself was

looking to deliver, was in the realms of social value, so finding additional elements to measure was a challenge.

b) Air Quality Monitoring Stations (equipment) and ongoing monitoring

This had some SV commitments but despite an over EU Threshold value, it showed that this wasn't ideal. The contract required little time for the successful supplier to spend within the borough as they needed to initially provide and replacement of the equipment and then monitoring this on an on-going basis (most of which could be done remotely apart from routine checks of no more than a couple of hours twice a year). As such, obtaining social value commitments to benefit the borough from the operation of the contract was limited.

c) Parking (See below)

d) Highways - Maintenance and Projects (2 individual lots)

Project	Annual Cost of the contract	Social value commitment p.a.	%
Highways Maintenance	£1,900,000	£777,420	40.9
Highways Projects	£7,100,000	£982,103	13.8
Parking	£3,733,655	£1,271,232	34.0

None of these projects is yet in contract due to the mobilisation period but we will review outcomes once they start performing.

Currently we are in the process of reviewing the outcomes and making recommendations on the use of the Social Value Portal as to whether this is mandated for all contracts or those of a particular value, duration and type (e.g. for those with known / guaranteed levels of spend) and will be making a recommendation on this in the next couple of months.

3. Could you provide a high-level update on progress rolling out the updated Fairer Futures Procurement Framework more generally? Noting that Cabinet will be doing a full review so just an activity update, though any lessons that have already arisen are of course welcome.

New procurement training that incorporates the FFPF has been developed and can be booked by officers on MyLearningSource. The project to make this an eLearning training is in progress with the aim to make this more accessible for all officers involved in the procurement process.

An overview of the FFPF and social value was given at the Top 100 Managers' Lunch and Learn session in February and has been given for the Finance & Governance Technical Briefing for all staff. A Leadership Insight session was held on 27 February where the focus of the session was Procurement and the FFPF.

Terms and Conditions of contracts have been updated to include the FFPF elements within them to ensure these are enforceable, as well as having a one page summary to be sent to suppliers during tender processes so they understand the implications of the FFPF. This is available on the Source, as well guidance on how the FFPF can be reviewed in Contract Management meetings with suppliers and the types of evidence that should be provided to confirm this (as well as contract KPIs and Social Value commitments). Both are available via: <http://thesource/tools-and-resources/contracts/procurement-guidelines/tools-and-templates/>

- 4. Can you confirm the volume of procurement activity conducted by the Council below £100,000 and below OJEU limits? It's fine if you just confirm that this is hard to identify.**

Unfortunately, the council does not collate or hold this information. Contracts below £5k in value should be listed on the contracts register but despite many reminders, we are aware that the register is incomplete. It is the responsibility of departments to keep the register up to date.

The Contracts Register is there:

<https://procontract.due-north.com/ContractsRegister/Index?p=2241eb95-058a-e511-80f7-000c29c9ba21&v=1>

- 5. Does the Council track local spend via procurement (i.e. spend on organisations that meet any definitions of being based in Southwark or having a substantial presence here)? If so, what is it?**

Unfortunately, the council does not track this but could potentially add a field to the contracts register to ask if they are a local business – although this would have the same caveats about the completeness of what is published on the Contracts Register.

Report Title:	Procurement briefing regarding local SMEs/SMEs/VCS organisations within Children and Adults Services	
Meeting	Education and Business Scrutiny Commission	
Report Owner	Cynthia Davis; Assistant Director of Commissioning, Children, Adults & Families	
Report Author	Sam Edwards; Procurement Manager Children, Adults & Families Commissioning	
Date	13 March 2020	

1. Summary:

- 1.1 This report sets out the procurement exercise undertaken for the Local Community Offer (Information and Support Hub) for older people and all age disabilities and their carers that involved local SMEs and/or VCS organisations. The report sets out the process undertaken and the procurement outcome.
- 1.2 This report also informs of any future procurement exercises that will involve local SMEs and/or VCS organisations.

2. Background:

- 2.1 The Information and Support Hub was designed to equip the council to manage its “front door” by assisting individuals living within the Borough to access information, advice, navigation and facilitation support that will link them with community opportunities and services across Southwark to support their independence and wellbeing.
- 2.2 The Information and Support Hub comprises a collaborative model across social care and the third sector to bring together key parts of the system, such as information, advice, navigation and signposting services.
- 2.3 This approach has already been tested with our existing adult mental health hub which has had positive results.
- 2.4 The aim of the procurement of the Local Community Offer (Information and Support Hub) was to source two separate lead providers, Lot 1 for the All Age Disability Hub and Lot 2 for the Older Person’s Hubs.

3. Procurement Outcome:

- 3.1 The tender process took the form of a ‘Competitive Procedure with Negotiation’. The tender required suitable applicants to submit a qualifying questionnaire which was evaluated by council officers to assess the suitability of the applicants before being invited to submit an initial tender.

- 3.2 The initial tender was evaluated and issues that had arose from the submission such as proposed service models that needed to be addressed and further developed formed the basis of the negotiation stage.
- 3.3 Negotiations were held for both lots with the aim of improving final tenders. Once the negotiations had concluded, bidders were invited to submit their final tenders.
- 3.4 The outcome of the evaluation of Lot 1 All Age Disabilities and Carers Information and Support Hub resulted in the council unable to award a contract as the tender submission from the sole bidder did not pass the quality threshold.
- 3.5 The outcome of the evaluation of Lot 2 Older Person's and Carers Information and Support Hub resulted in the council awarding a contract to Age UK Lewisham and Southwark.
- 3.6 Age UK Lewisham and Southwark are an incumbent provider who are part of a consortium of six local charities called COPSINS who provide services to older people in Southwark. The consortium will deliver the new contract with Age UK being the lead provider managing the network of partners.
- 3.7 The All Age Disabilities Hub will be reviewed as a result of the contract not being awarded. Commissioners will be assessing the options going forward.
- 3.8 The new contract for the Older Person's Hub will commence on 1 June 2020.

4. Future Procurements:

- 4.1 Southwark currently have five contracts offering a range of activities and services mainly in evening, weekends and during school holidays for children and young people (CYP).
- 4.2 Commissioners are in the process of reviewing the service and plan to hold a public consultation on the proposed service model in due course.
- 4.3 The contract will be suitable for local SMEs/SMEs/VCS organisations to bid for.

Procurement: Accessibility and Social Value

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Executive summary

[To follow]

Summary of Recommendations

Data

1. **The Council should fundamentally improve the data it collects on Council procurement activity and local businesses. As part of this effort, the Council should collect equalities data and local spending data for all eligible procurement activity.**

Accessibility

2. **Strengthen local tendering requirements and increase them to EU thresholds.**
3. **Develop a portal with key procurement information and to raise awareness of relevant opportunities.**
4. **Develop a list of local providers that can readily be added to and is accessed as a standard part of relevant procurement processes to raise awareness of relevant opportunities.**
5. **Offer training for relevant businesses, and facilitate a targeted provider forums to aid SME bidding.**

Social value

6. **The Council should be even more ambitious in embedding tailored social value requirements and take a “maximising social value” approach across departments. This approach should include requiring a specific exemption for eligible tenders to waive the 15% social value requirement and the Council developing model social value clauses covering anticipated future contracts in all Council departments**

Procurement practice

7. **The Council should pursue an explicit commitment to building community wealth across the borough through greater local procurement, in conjunction with other locally-embedded organisations, including local spending targets**
8. **The Council should share best procurement practice across departments and strengthen the central procurement function to raise the quality of practice across the authority.**
9. **The Council should use s106 agreements and other external influencing channels to make more external procurement opportunities happening in Southwark accessible to local SMEs.**

Part 1: Introduction and background

Our Commission focused on understanding how accessible procurement opportunities in Southwark are to local businesses and community organisations. We placed particular emphasis in our work on understanding how accessible procurement opportunities are to businesses that are led (at Director level) by people with protected characteristics that are typically underrepresented in business leadership. We looked in most depth at understanding barriers to BAME-led businesses, but we also looked at some of the barriers impacting female-led businesses and businesses led by people with a disability.

The Commission also looked at the Council's early activity to implement its Fairer Futures Procurement Framework ("FFPF"). Whilst the FFPF was only introduced in 2019 (as an update to its 2016 strategy) and is currently being piloted on a selection of projects, the Commission was of the view that even this early stage activity would benefit from some external scrutiny.

The national context

BAME and female-led businesses are under-represented in the UK economy

The central government estimates that nationally 5.4% of SMEs are BAME-led.¹ The accommodation and food services sector has the highest percentage of BAME-led SMEs, and the agriculture and utilities, manufacturing, and construction sectors has the lowest percentage of BAME-led SMEs. Latest estimates are that 14% of the population of England and Wales are BAME,² making BAME-led businesses significantly underrepresented relative to their share of the population.

Nationally, only 1 in 3 UK entrepreneurs is female: a gender gap equivalent to c.1.1 million missing businesses. Female-led businesses are only 44% of the size of male-led businesses on average (in terms of their contribution to the economy), and male-led SMEs are five times more likely to scale up to £1million turnover than female-led SMEs.³

The Commission were unable to identify reliable statistics for businesses led by people with a disability.

Local authorities are major procurers and much procurement happens within inner-London boroughs

Across the country, there is huge variation in how much local authorities procure either locally or via community organisations.

A 2012 survey conducted by the Federation of Small Businesses and the Centre for Local Economic Strategies ("CLEs") found that, on average, authorities in England and Wales spent 31% of their total procurement spend within their local authority boundary, with 47% of this spend going to local SMEs. However, proportions varied significantly by region, from 19% in

¹ Leadership of small and medium enterprises. <https://www.ethnicity-facts-figures.service.gov.uk/workforce-and-business/business-and-self-employment/leadership-of-small-and-medium-enterprises/latest>

² Population of England and Wales (2011 Census). <https://www.ethnicity-facts-figures.service.gov.uk/uk-population-by-ethnicity/national-and-regional-populations/population-of-england-and-wales/latest#main-facts-and-figures>

³ The Alison Rose Review of Female Entrepreneurship, p6. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/784324/RoseReview_Digital_FINAL.PDF

London authorities (which are geographically smaller than local authorities outside of London) to 42% in Welsh authorities.⁴

The local context

Southwark is a highly diverse borough with many micro- and small businesses

Southwark is an incredibly diverse borough. 46% of Southwark's population are BAME. Approximately 13% have a disability. Southwark's population has grown significantly in recent years (by a fifth since 2001), and 4 in 10 people in Southwark live in communities that are considered to be the most economically deprived nationally.⁵

Of Southwark's over 16,000 businesses, nearly 87% are micro-businesses, and over 10% are small.⁶ As we explore in our findings, there is limited information about the demographic breakdown of Southwark's business.

Our emphasis on small, local businesses is with good justification. Local businesses reflect the diversity of Southwark and are rooted in its communities, their success is our collective success. Local businesses are more likely to bring value added to the communities in which they exist – whether through increased local spending, more local employment, or their business practices more generally - helping to ensure that the benefits of local spending deliver maximum benefits to the local community. This is especially true of community organisations.

Southwark Council is a major procurer and there is significant external procurement in the borough

Southwark Council is a major procurer. The Council has an annual turnover of £1.2 billion and spends approximately £650 million per annum. This is in addition to a capital spending programme worth £1 billion over the next decade.

Beyond the Council's own procurement, Southwark has a vibrant economy with significant volumes of major companies operating in the borough. Whether large corporate consulting firms, law firms, or the range of major developers building across the borough – with major development sites in Elephant and Castle, Canada Water and the Old Kent Road, to name a few – there are billions of pounds of external procurement taking place across Southwark in the coming years.

Definitions

Defining SMEs and local businesses

We look broadly at local micro-businesses and SMEs and community organisations, including charities, social enterprises and other locally-rooted entities. A micro-business employs less than ten people. An SME employs less than 250 people and has a turnover of less than £39 million. SMEs can be broken into small businesses with 10-49 employees and medium-sized businesses with 50-249 employees.

When we talk about local businesses, we are talking principally about local micro and small enterprises, including community organisations and voluntary and community sector (“VCS”) organisations. Whilst the Commission does not exclude medium-sized enterprises from our work,

⁴ Local Procurement: Making the most of small business, one year on. <https://cles.org.uk/wp-content/uploads/2016/10/FSB-procurement-2013.pdf>

⁵ JSNA Factsheet 2018-19 Demography, Protected Characteristics JSNA 2017. <https://www.southwark.gov.uk/health-and-wellbeing/public-health/health-and-wellbeing-in-southwark-jsna/population-groups-and-communities>

⁶ <https://www.nomisweb.co.uk/reports/lmp/la/1946157256/report.aspx>

their size and relative scarcity in Southwark (only 3.1% of Southwark’s businesses are medium-sized) means they are less of a focus.

Defining business leadership

Our approach to identifying business leadership aligns with that used in other research into business leadership by central government and beyond.⁷ We take leadership to mean more than 50% of the partners or directors in day-to-day control of the organisation have the relevant characteristic, or where the sole proprietor has the relevant characteristic.

In 2019, the Council introduced the Fairer Futures Procurement Framework. The FFPF built on the Council’s existing Fairer Futures Procurement Framework, adding a substantial range of new expectations for businesses seeking to access procurement opportunities from the Council, and including an expectation that 15% of the value of contract awards for services worth over £100,000 would be determined by the social value of the bid. The updated FFPF also introduced new procedures to support the monitoring and reporting of social value delivery.

Part 2: What we did

Methods

The Commission has used a range of methods to gather evidence for our report. We interviewed various council officers, spoke to local business improvement districts (“BIDs”) and Southwark’s Chamber of Commerce. We also heard from schemes to help local businesses to access commercial procurement opportunities, and from other local authorities that have taken ambitious steps to make their procurement activity more accessible to local businesses.

The Commission’s work also builds on previous scrutiny and audit activity. In particular, we have drawn on the Overview and Scrutiny Committee’s 2015 review of the Council’s procurement practices,⁸ and the Audit, Governance and Standards Committee’s ongoing analysis of implementation of the Fairer Futures Procurement Framework.⁹

Stakeholders

[To include list of Commission interviewees and minuted contributors as an appendix]

⁷ See e.g. Incorporating Diversity Report looking at BAME and female-led businesses in the West of England. <https://s3-eu-west-1.amazonaws.com/so-welep-uploads2/files/Funding/Gapsquare%20WE%20LEP%20-%20Research%20into%20BAME%20and%20Women%20led%20businesses%20in%20the%20WE.pdf>.

⁸ The review outlined an ambitious programme for the Council’s procurement activity that was partially realised in the Council’s 2016 Fairer Futures Procurement Framework, and was more fully realised in the current, 2019 Fairer Futures Procurement Framework

⁹ See e.g. AGS meeting of 18 July 2018, Item 6 on the agenda.

<http://modern.gov.southwark.gov.uk/documents/g6048/Public%20reports%20pack%20Wednesday%2018-Jul-2018%2019.00%20Audit%20Governance%20and%20Standards%20Committee.pdf?T=10>

Part 3: What we found

The data landscape

Southwark Council capture very limited demographic data on business leadership at present

The Commission began its investigations by looking at what data the Council has on who it procures to deliver goods and services (and works).

The Council has very limited information on the demographic profiles of who it procures goods and services from. As highlighted by Duncan Whitfield, Southwark's Strategic Director for Finance and Governance and Doreen Forrester-Brown, Southwark's Director of Law and Democracy, this has not been an area Southwark has historically collected information on even though it is possible below OJEU limits.

The Council do not capture much data on how local procurement across the Council is operating

Southwark Council delegates procurement authority to individual departments, with the Procurement Advice Team offering centralised advice and guidance. This arrangement means that it is difficult, and often impossible, to get centralised data on various aspects of procurement performance. For example, Southwark's existing rules on how to pursue bids for different contract values (see Table 1 below) say that for tendering opportunities between £25,000-£100,000, one local tender should be secured where possible. However, officers cannot provide a figure for adherence to this guidance, whether exceptions are generally applied sparingly and correctly, or the volume of spend that has currently gone to local providers as a consequence of this guidance:

Table 1: Southwark Procurement Thresholds

Value	Route	Notes
Below £25,000	Best value	
£25,000-£100,000	3 quotes	At least 1 to be local where possible
£100,000-EU thresholds	5 tenders	Public advert and Contracts Finder (except construction related and invited from the approved list)
Over EU thresholds	EU tender process	

The Council does not have a rich understanding of local SMEs

Similarly, the Council does not maintain lists of local SMEs, so corporately the Council does not have a view of the range of SMEs interested in responding to procurement opportunities, or the barriers that they face in doing so.

This lack of information makes it difficult for the Commission to make recommendations based on Council data, but throughout the remainder of this report we rely on the best available information, and lessons from beyond the Council, to inform our findings and recommendations.

Accessibility to small businesses

Local businesses find procurement opportunities hard to access and actively want support

The Commission heard from several BIDs and business support organisations about local businesses experience of procurement opportunities. Several themes emerged from their

feedback:

- SMEs find that bidding is a skill that needs to be learned, and many SMEs in Southwark have not got the expertise, networks or support to develop it. (Michael Hill, Better Bankside; Russell Russell Dryden, Blue Bermondsey).
- BAME-led businesses in particular bemoan a lack of case studies of successful SME procurement journeys, and are particularly eager to receive training to help them access procurement opportunities (Shade Abdul, Southwark Chamber of Commerce).
- SMEs feel that Southwark Council is rarely prepared to take even managed risks, and bring businesses on a journey with them (Michael Hill, Better Bankside).
- SMEs can be far more successful in securing procurement opportunities from developers and other external parties when they are provided with comprehensive support and information (Nic Durston, Southbank BID; Petrona Wickham, South London Procurement Network).

Michael Hill from Better Bankside BID provided evidence that in Southwark, only 20% of people are employed locally, as opposed to 60% in Newham. He argued that Southwark Council could do more, through its own procurement and how it engages with businesses in the area, to increase the number of people who are employed locally. Whilst the Commission could not verify these figures, they do suggest that Southwark has plenty of scope to further develop a strong local economy that works even better for its resident population and businesses.

There are pockets of good practice in Southwark that show promise for other departments

As part of our Commission's work, we sought to understand examples of good practice within the Council. Of particular interest to the Commission was the work of Children and Adult's Services ("CAS"). CAS has an unusual spend of approximately £60.8 million according to the Council's contracts register, with approximately £49 million of that sum going to 22 separate contract awards for larger contracts such as adult home care, learning disability support services and mental health support services. Because CAS has such a significant annual spend, it has a Commissioning division which is well placed to align its activities with the Council's Fairer Future's Procurement Strategy as well as the Council's Economic Wellbeing Strategy. CAS has taken a number of steps to ensure that relevant SMEs and community organisations have equal opportunity to procurements, including:

- Holding quarterly provider forum meetings for existing and potential providers of services. The meetings are used to provide information about Council policies as well as engagement and procurement opportunities.
- Supporting networking between prospective bidders including supporting lead provider arrangements where smaller organisations "group together" to deliver higher value contracts.
- Ensuring there are a relevant pool of procurement opportunities with value sizes that do not prohibit SMEs from bidding.

Based on CAS's current work to attract more SMEs, they are exploring:

- Providing additional training for SMEs and VCS organisations.
- Ensuring that SMEs and VCS organisations are able to show how they deliver additional social value for relevant contracts.
- Developing a website where SMEs can get all the key information they need to understand procurement opportunities including an opportunities pipeline, directing providers to relevant forums, and any support available.

CAS has had to invest a significant amount of time into these efforts, and its market engagement support activity has at times been resource intensive. **█**Awaiting update report from CAS on how procurement has progressed. **█**

There is limited systematic activity at present to make procurement opportunities accessible to local and social enterprises

Officers engaged very constructively with the Commission's questions regarding the Council's commissioning practices more generally. Doreen Forrester-Brown presented on a number of areas where the Council could potentially do more to make procurement opportunities accessible:

- The Council does not capture many organisational details as part of the standard procurement process, although this is possible below EU thresholds.
- SMEs cannot at present register with information on their organisation and its services, which probably makes discovering local organisations to meet the local tender requirement for opportunities between £25,000-100,000 more difficult.
- SMEs currently do not have many training opportunities where the bidding process and opportunities pipeline was communicated to potential bidders.

More generally, as reflected in a recent Audit, Governance and Standards Committee report, the Council has good internal control procedures, however compliance with these is mixed.¹⁰ For example, departments do not always upload contracts to the contracts register, an issue that has been noted by scrutiny reports from 2015, if not earlier.¹¹ Of particular interest to this Commission, even under a decentralised procurement model, there could be mechanisms for ensuring data is collected on adherence to local tender requirements, and the volumes of procurement activity happen at lower thresholds.

Existing social value practice

The Council's new fairer future procurement framework is a bold step with exceptional potential

The Council's new FFPF is a genuinely ambitious attempt to ensure that the Council delivers maximum social value through its procurement activity. In 2015, Overview and Scrutiny Committee set out a range of ways in which the Council could develop such a strategy, and its final implementation took on many of their recommendations, and indeed went further in some areas.

The Council is currently in the process of rolling out its FFPF, and pilots are taking place in highways, parking services, air quality monitoring and community hubs (for older people and people with disabilities). Early progress on these contracting processes has been mixed, and suggests a need for clear "model" social value clauses across different departments.

The Commission received a presentation on the social value approach under FFPF. The Council is using a "Social Value Portal" which allows the Council to select a range of possible areas for social value contribution which align with the Council's priorities. The intention is that this new arrangement will allow the Council to go even further in securing additional social value for Southwark via the Council's procurement activity.

¹⁰ As reflected in AGS meeting of 18 July 2018, Item 6 on the agenda.

<http://modern.gov.southwark.gov.uk/documents/g6048/Public%20reports%20pack%20Wednesday%2018-Jul-2018%2019.00%20Audit%20Governance%20and%20Standards%20Committee.pdf?T=10>

¹¹ See Overview and Scrutiny Committee's Procurement and Commissioning Report, January 2015.

<http://modern.gov.southwark.gov.uk/documents/s51134/Draft%20Scrutiny%20Report.pdf>

Since officers reported to the Commission, additional budget has been allocated to update guidance, provide training and support to teams within the Council in how to conduct procurement activities in accordance with the new FFPF, to provide additional guidance to prospective contractors and to appoint an additional team member to the Procurement Advice Team to help further develop the Council's FFPF monitoring approach. The Commission strongly welcomes these plans.

The potential of procurement to build community wealth

There is a growing community wealth building movement where local authorities and other locally-embedded organisations work together to strengthen local economies

The 'Preston Model' is a procurement model pioneered by CLES in conjunction with Preston Council and other local anchor institutions¹², and more recently with EU city partners in the Procure Network. These ideas are being applied by a growing number of businesses, public and social sector organisations across the UK who are now driving a shift in economic development thinking.¹³

Community wealth is built through a number of different strategies. Through this approach local economies are reorganised, so that wealth is not extracted but broadly held and income is recirculated.

- Progressive procurement of goods and services: Progressive procurement can develop dense local supply chains, SMEs, employee owned businesses, social enterprises and cooperatives and other forms of community business. These types of businesses are more likely to support local employment and have a greater propensity to retain wealth and surplus locally.
- Plural ownership of the economy: Community wealth building seeks to develop a more diverse blend of ownership models: returning more economic power to local people and institutions. In this, community wealth building asserts that small enterprises, community organisations, cooperatives and forms of municipal ownership are more economically generative for the local economy, than large or public limited companies.
- Making financial power work for local places: Community wealth building seeks to increase flows of investment within local economies by harnessing the wealth that exists locally, as opposed to attracting national or international capital. For example, local authority pension funds can be encouraged to redirect investment from global markets to local schemes. Mutually owned banks are supported to grow and regional banks - charged with enabling local economic development - are established. All of these are ideally placed to channel investment to local communities while still delivering a steady financial return for investors.
- Fair employment and just labour markets: As large employers, the approach that anchor institutions take to employment can have a defining impact on the prospects and incomes of local people. Recruitment from lower incomes areas, commitment to paying the living wage, and building progression routes for workers are all examples of actions that anchor

¹² Anchor institutions are defined as local institutions or local enterprises, such as councils, universities and hospitals, which have deep roots in their local community. In Preston the six anchor institutions that commenced the initiative Preston City Council, Lancashire County Council, Lancashire Constabulary, University of Central Lancashire UCLAN, Preston's College, a further education institution and Community Gateway Association.

¹³ How we built community wealth in Preston: Achievements and lessons. CLES and Preston City Council. July 2019. <https://cles.org.uk/publications/how-we-built-community-wealth-in-preston-achievements-and-lessons/>

institutions can take to stimulate the local economy and bring social improvements to local communities.

- **Socially productive use of land and property:** Anchor institutions are often major local asset holders. These assets represent a base from which local wealth can be accrued. In community wealth building the function and ownership of these assets is deepened to ensure that any financial gain is harnessed by citizens. Furthermore, there is a desire to develop and extend community use of those assets. It should be remembered that much public sector land and facilities are a part of the commons, and should be used to develop greater citizen ownership.

Preston conducted an audit of its spend in 2013 and found that its anchor institutions spent £750m, however only 5% was spent in Preston, and 39% in Lancashire, meaning a £450m leakage out of the Lancashire economy. In 2017 CLES repeated an analysis of anchor institution spending and found spend in Preston economy had increased from £38m to £111m. Within the wider Lancashire economy (including Preston) £488.7m of spend had been retained, a rise of £200million from the baseline analysis.

Whilst the Commission has not been able to conduct a deep dive into the various benefits of the community wealth model outlined above, CLES and Preston City Council cite a range of benefits of its community wealth building approach, including:

- Productivity benefits: Making better use of local productive capacity.
- Social benefits: Bringing economic activity where it can produce the highest social return.
- Environmental benefits: Shortening supply chains.

There is significant scope for Southwark to use more of its levers to make Council and external procurement more accessible to local and social enterprises

The Commission took evidence from beyond our borders about what is possible for improving local procurement practice. We identified practice and research from elsewhere in the UK that has many useful insights for the Council:

- Other local authorities have significantly increased their volume of local spend by adapting their quote requirements for different thresholds (Peter Lawton, South Tyneside Council).
- The Council can use planning processes to encourage developers and other corporates active in Southwark to develop their local and social supply chains (Petrona Wickham, South London Procurement Network).
- Platforms have been developed to make procurement opportunities more accessible to local and social enterprises and to provide assurance to large organisations that want to buy from them (Supply Change).
- External research shows there is significant scope, whether within residual EU procurement rules or under any likely future procurement arrangements, to support strong local SME procurement opportunities (Matthew Jackson, Centre for Local Economic Strategies).

Local authorities can encourage significant amounts of local procurement, targeting businesses that reflect and benefit the local area

South Tyneside have undergone a major effort to maximise the local and social value of their procurement activity. Following their activity, South Tyneside have increased their local spend from 33% in 2009 to 58% in 2017/18. South Tyneside has also effectively embedded social value provisions across a wide range of procurement activity as well.

South Tyneside produced a strategy to support its local procurement ambitions. The strategy included making local spending a key performance indicator (see Table 2 for key thresholds and requirements), introduced electronic portals for SMEs to quote for and secure work, and increased council contact with local companies by holding regular “meet the buyer” events and development seminars, and a range of other market engagement activity to increase the competitiveness of local providers.

Table 2: South Tyneside Procurement Thresholds

Procurement value	Procurement procedure
Up to £5,000	Minimum of one written quotation from South Tyneside suppliers
Between £5,001 and £25,000	Minimum of one written quotation from South Tyneside suppliers and two written quotations from Tyne and Wear suppliers
Between £25,001 and EU thresholds	Minimum of two written quotation from South Tyneside suppliers and two written quotations from other suppliers or advertise opportunity on an internet portal and Contracts Finder

South Tyneside provided the Commission with a number of examples of how it has incorporated social value into its contracts as well.

- Highways: Introduced an aspirational target of 15% of the value of subcontracts going to local suppliers to maximise local benefit from major contracts.
- Integrated substance misuse service: Introduced social value clauses relating to additional training and volunteering requirements, including for peer mentors.
- Grounds maintenance and recycling: Tenderers were required to submit a method statement detailing what arrangements would be put in place to ensure that employment opportunities are used to tackle the council’s priority of tackling unemployment.
- Regeneration: Regeneration projects were not allowed to commence until a method statement was agreed with the council to hit employment and training targets, in a way that could be reviewed and monitored by the council.

Other authorities have had great success in increasing local spends, including local spends through external procurement activity

The Commission heard from South London Procurement Network (“SLPN”) about the work that has done, originally initiated in our neighbouring borough, Lambeth, to encourage developers to procure more from local providers. As a s106 requirement¹⁴ of the Southbank Place development contract, (which was awarded to the Canary Wharf Group and Qatari Diar), the developers were required to fund the creation of SLPN to support local and neighbouring suppliers to access procurement opportunities linked to the development and beyond. SLPN now covers 11 South London boroughs, including Southwark, where 22% of its member businesses are based. SLPN was set the target of helping secure £6 million in procurement opportunities for South London businesses. To date, it has helped secure nearly £288.6 million in contract wins, with £103.6 million going to SMEs (including micro-businesses), including £72.1 million to SMEs in Southwark. This has been achieved through a range of supply chain brokerage activity (bringing together suppliers and buyers), market engagement support, local listings, free workshops to local suppliers and free one-on-one consultation support.

¹⁴ Under Section 106 of the Town and Country Planning Act 1990, a development proposal can be made accessible in planning terms by the addition of further planning obligations. Section 106 obligations can create a wide range of requirements on a developer.

There are platforms that make procurement opportunities accessible to local and social enterprises and provide assurance to public sector and larger private sector organisations

Supply Change is a UK marketplace platform that matches public sector and larger private sector organisations to social enterprises.¹⁵ The platform emerged from a research project for Orbit Housing which focused on how social enterprises are accessing Orbit and other social housing supply chains. The research identified various financial and cultural barriers: social enterprises found it difficult to access contracts as they did not have good visibility of opportunities, because of the numerous bureaucratic processes in individual large social housing organisations and more. There was an appetite from large organisations to use social enterprises, but large organisations need information on relevant providers and assurance on viability. The Supply Change portal arose from this research and aims to provide visibility to social enterprises and assurance to large organisations. Orbit is a founding client of Supply Change, which is now testing the platform with a pool of local authorities including Camden Council and Hackney Council.

Even under current EU and UK legislation, there are many ways to support local procurement without breaching procurement rules

The Commission received a submission from CLES, who shared a report titled “Creating a Good Local Economy Through Procurement”¹⁶ which was prepared by Matthew Jackson, CLES’s deputy CEO, as part of a research project commissioned by the European Union. CLES’s report highlighted the four main channels through which authorities can use procurement to strengthen the local economy:

- Commissioning of goods or services.
- The development of procurement strategy
Pre-procurement.
- The delivery of the good or service and monitoring.

Across these four areas, the report sets out a range of activity, some of which the Council is already doing, as has been highlighted elsewhere in this report, as well as additional ideas for improving the local economy benefits of procurement-related activity. Of particular interest to the Commission, the report outlines how authorities can look into:

- Packaging contracts to make them more accessible to local bidders.
- Streamlining procurement documentation.
- Working with local businesses to test markets.
- Capacity building of social economy organisations.
- Developing supplier networks.

The report outlines a number of other ways to create a good local economy through procurement which provide an attractive menu of options for the Council to draw on going forward.

What is clear from our findings is that these are not niche, borderline practices for maximising local and social value. Guidance from central government on the Public Services (Social Value) Act 2012 provides a number of example social value terms that are just as bold as those highlighted above, which should provide real encouragement to the Council to realise the

¹⁵ See <https://www.supplychange.co.uk/>

¹⁶ <https://www.preston.gov.uk/media/820/Creating-a-good-local-economy-through-procurement-procure-network-partners-and-URBACT/pdf/pages-de-procure-state-of-the-art.pdf?m=636934399560270000>

potential of its ambitious FFPF.¹⁷ Examples provided, which appear to go further than the Council's current approach to using social value legislation, include:

- **Community consultation:** We will require the supplier to engage with communities as it seeks to successfully deliver and continually improve the contract. We require a plan of community engagement activities.
- **Accessible employment:** When employment opportunities arise that are wholly associated with the delivery of this service, those opportunities should be advertised such that the following groups are encouraged to apply, e.g. people with disabilities, the local community, from the user community, NEETS, former offenders.
- **Opening up supply chains:** As part of our economic growth strategy, we aim to reduce barriers to participation for SMEs/VCSEs. This includes our supply chain. For the operation of this contract, we require the supplier to encourage a diverse supply base, outline an approach to supply chain management and provide management information about the expenditure made with SMEs/VCSEs.

Leaving the EU only heightens the importance of, and opportunity for, supporting local business

As the UK has now left the European Union, these proposals effectively represent a baseline for what authorities in the UK can do. Beyond the current 31/12/20 deadline for any deal with the European Union, the regulatory environment may have changed substantially, allowing even greater freedom for local authorities to explicitly target maximising local value and benefit as a core part of their procurement strategy. The Commission strongly encourages the Council to rise to this opportunity, recognising that done right, more local and social procurement serves to empower and benefit Southwark's diverse communities.

Part 4: Recommendations

Data recommendation

Recommendation 1: The Council should fundamentally improve the data it collects on Council procurement activity and local businesses. As part of this effort, the Council should collect equalities data and local spending data for all eligible procurement activity.

The Council should collect equalities data for procurement opportunities below the EU threshold.

To do this, the Council should develop a set of equalities questions for businesses based on ownership and/or directors, which must be completed as part of procurement processes below OJEU limits, as well as when registering on Council portals.

The Commission recommends consult on and introduce a definition for understanding whether under-represented groups are represented at senior leadership (BAME, women, disability and beyond) or leading organisations

As part of this improved data collection, the Council should collect and report going forward on:

- How much procurement activity below at values of less than £100,000 has taken place.
- How often the requirement to seek a local bid for tenders below £100,000 has been waived.
- What proportion of procurement spend has been going towards local SMEs (including community organisations).

¹⁷ The Public Services (Social Value) Act 2012: An introductory guide for commissioners and policymakers. <https://www.gov.uk/government/publications/social-value-act-introductory-guide>

Accessibility recommendations

Recommendation 2: Strengthen local tendering requirements and increase them to EU thresholds.

The Commission recommends that Local tendering requirements are strengthened by clearly requiring one local tender for any opportunity below £100,000 (including tenders below £25,000) save with an explicit exemption, and requiring at least one local tender for opportunities below the relevant EU threshold.

Recommendation 3: Develop a portal with key procurement information and to raise awareness of relevant opportunities.

Local SMEs need to be able to understand how the Council is procuring and they need to know what opportunities are available. Providing these in a centralised location will make it far easier for local SMEs. This recommendation is for information about opportunities before they have been tendered, as is currently the case on the Council's Contracts Register.

Recommendation 4: Develop a list of local providers that can readily be added to and is accessed as a standard part of relevant procurement processes to raise awareness of relevant opportunities.

The Commission struggles to understand how officers can reliably identify local suppliers to meet the existing local tender requirement without a centralised list of relevant providers. This should be created and maintained centrally, to improve local procurement practice across the Council.

Recommendation 5: Offer training for relevant businesses, and facilitate a targeted provider forums to aid SME bidding.

SMEs are clear that they need help to access Council opportunities, and that they would benefit from training, seeing case studies of successful SMEs that have procured from the Council and more. The Council should be providing this type of support as standard, focused around areas where the Council has identified clear opportunities for more delivery by SMEs.

Social value recommendation

Recommendation 6: The Council should be even more ambitious in embedding tailored social value requirements and take a "maximising social value" approach across departments. This approach should include requiring a specific exemption for eligible tenders to waive the 15% social value requirement and the Council developing model social value clauses covering anticipated future contracts in all Council departments

The Commission has identified best practice from beyond Southwark that the Council should learn from, as well as specific social value clauses to consider for inclusion in relevant future tenders.

The Commission welcomes the budget commitment to fund support, training, monitoring and additional staff for departments beginning to use social value aspects of fairer future procurement framework, and recommends this supports deeper ongoing central support from the Council's procurement function.

The Commission recommends clearly limiting scenarios where the requirement for 15% of the contract award decision to be decided according to social value, and actively tracking how often this is done.

The Commission also recommends working with local SMEs and community organisations in particular to find simple ways to recognise the social value that they bring to Southwark. Once this is done, the Council should move towards recognising their social value below the £100,000 threshold.

Procurement practice recommendation

Recommendation 7: The Council should pursue an explicit commitment to building community wealth across the borough through greater local procurement, in conjunction with other locally-embedded organisations, including local spending targets

The example of CLES' work in Preston and beyond shows the great potential of coordinated efforts, led by a local authority as part of a broader partnership, to pursue an explicit commitment to creating greater community wealth through enhanced local spending, with an explicit aim to improve local productivity, deliver positive social outcomes and to lessen the environmental impact of procurement activity as well.

Recommendation 8: The Council should share best procurement practice across departments and strengthen the central procurement function to raise the quality of practice across the authority.

The Council should propagate best practice from within the Council to improve practice throughout the Council. The Commission was particularly impressed by the practices taking place in children and adult services, where they are piloting actively supporting greater accessibility of council procurement via open sessions.

Children and adult services has managed to lead the way in accessible procurement because it has a dedicated procurement function and enough relevant opportunities. This is a strong argument for the council to further boost its central procurement function to provide some of the same benefits and process improvements to other departments (see also recommendation 7).

Various recommendations require centralised support (e.g. creating centralised supplier lists and a supplier portal), and the Fairer Futures Procurement Framework needs to be solidly embedded throughout the Council, particularly new social value requirements. The Commission recommends that the central procurement function is provided with sufficient capacity to implement and/or drive forward recommendations in all of these areas.

Recommendation 9: The Council should use s106 agreements and other external influencing channels to make more external procurement opportunities happening in Southwark accessible to local SMEs.

The example of SLPN shows that SMEs can, with the right support, opportunities and brokerage, deliver work for private organisations, particularly developers, active throughout Southwark. The Council should be supporting this as a matter of course and setting ambitious targets for local spend for developers active in the borough.

To confirm recommendation once the Commission has received a report from the planning department and interviewed the lead Cabinet Member

Acknowledgments

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