

Education and Business Scrutiny Commission

Monday 20 July 2020

6.00 pm

Online/Virtual. Members of the public are welcome to attend the meeting. Please contact FitzroyAntonio.Williams@southwark.gov.uk for a link to the online meeting.

Membership

Councillor Peter Babudu (Chair)
Councillor William Hougbo (Vice-Chair)
Councillor Karl Eastham
Councillor Renata Hamvas
Councillor Eleanor Kerlake
Councillor Lorraine Lauder MBE
Councillor Eliza Mann
Lynette Murphy-O'Dwyer
Martin Brecknell

Reserves

Councillor Humaira Ali
Councillor Radha Burgess
Councillor Tom Flynn
Councillor Richard Leeming
Councillor Michael Situ
Councillor Leanne Werner

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Contact

Everton Roberts on 020 7525 7221 or email: everton.roberts@southwark.gov.uk

Members of the committee are summoned to attend this meeting

Eleanor Kelly

Chief Executive

Date: 12 July 2020



Education and Business Scrutiny Commission

Monday 20 July 2020
6.00 pm

Online/Virtual. Members of the public are welcome to attend the meeting. Please contact FitzroyAntonio.Williams@southwark.gov.uk for a link to the online meeting.

Order of Business

Item No.	Title	Page No.
	PART A - OPEN BUSINESS	
1.	APOLOGIES	
	To receive any apologies for absence.	
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	1 - 9
	To approve as a correct record the Minutes of the meeting held on 20 May 2020.	

5. CHILDREN RETURNING TO SCHOOL - COUNCIL ACTIVITY, INTERVIEW WITH CABINET MEMBER FOR CHILDREN, SCHOOLS AND ADULT CARE

To receive an update from Councillor Jasmine Ali, Cabinet Member for Children, Schools and Adult Care on council activity in respect of oversight and role in relation to children returning to school (social distancing, safety of children and teachers).

The cabinet member has been asked to provide their perspective and information on the following:

- Plans for children catching up and for the September re-start more generally;
- Support for vulnerable children who aren't going to school;
- Support for children not able to access education;
- Ensuring that there is not a disproportionate effect on vulnerable children, including those in alternative provision;
- Estimated results and how we're ensuring they don't negatively affect BAME and poorer children.

6. RESILIENCE FOR THE BUSINESS COMMUNITY - COUNCIL ACTIVITY, INTERVIEW WITH CABINET MEMBER FOR JOBS, BUSINESS AND INNOVATION

To receive an update from Councillor Stephanie Cryan, Cabinet Member for Jobs, Business and Innovation in respect of intended council activity to support broader resilience for the business community in light of Covid-19 (lockdown, easing of restrictions and social distancing).

The cabinet member has been asked to provide their perspective and information on the following:

- The broader economic downturn and Brexit;
- The Council's emergency response (council grants, distribution of central government grants);
- The broad local economy response to severe business need;
- Sector specific response by the Council e.g. hospitality and other particularly vulnerable sectors, the high street;
- Detailed view on rate of business failure / shrinkage and initial Council response.

7. EDUCATION: EXCLUSIONS AND ALTERNATIVE PROVISION - REPORT OF THE EDUCATION AND BUSINESS SCRUTINY COMMISSION

10 - 39

To note the final version of the report submitted to Cabinet (14 July meeting) for consideration.

Item No.	Title	Page No.
8.	PROCUREMENT: ACCESSIBILITY AND SOCIAL VALUE - REPORT OF THE EDUCATION AND BUSINESS SCRUTINY COMMISSION	40 - 62
	To note the final version of the report submitted to Cabinet (14 July meeting) for consideration.	
9.	WORK PROGRAMME 2020/21	To follow
	DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE 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.	

Date: 12 July 2020



Education and Business Scrutiny Commission

MINUTES of the OPEN section of the Education and Business Scrutiny Commission held on Wednesday 20 May 2020 at 6.00 pm. Online/Virtual meeting.

PRESENT: Councillor Peter Babudu (Chair)
Councillor William Hougbo
Councillor Renata Hamvas
Councillor Eleanor Kerlake
Councillor Eliza Mann
Lynette Murphy-O'Dwyer
Martin Brecknell

OTHER MEMBERS PRESENT: Councillor Johnson Situ

OFFICER SUPPORT: Everton Roberts, Head of Overview and Scrutiny (acting)
Julie Timbrell, Scrutiny Project Manager

1. APOLOGIES

Apologies for absence were received from Councillor Lorraine Lauder.

2. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT.

The chair informed the commission that there was one late item relating to the Exclusion Review.

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS.

Councillor William Hougbo declared that he was a school governor at Tower Bridge primary school.

4. MINUTES

RESOLVED:

That the minutes of the meeting held on 13 February 2020 be approved as a correct

record and signed by the Chair.

5. **PROCUREMENT REVIEW: LOCAL PROCUREMENT VIA SECTION 106 OBLIGATIONS**

The commission heard from Councillor Johnson Situ, Cabinet Member for Growth, Development and Planning and Danny Edwards, Strategy & Partnerships Manager.

Councillor Situ welcomed the fact that the Commission was looking at this piece of work because there were 16,000 registered businesses in the borough, and the vast majority of them SMEs. The council was absolutely committed to SMEs and there were ambitious plans for growth in the borough which was all hinged and centred around the small and medium businesses.

There were a number of ways of achieving this. The role section 106 and planning plays, the route through procurement the role that we have through our local economy and our partnerships, and as planning authority, the role the council plays through Section 106 agreements. Councillor Situ explained that through a commitment within a S106 agreement which encourages and requires that 10% of construction contracts for developers go to local businesses and SMEs. How this was currently encouraged was through specific wording in the agreements which make reference to 'reasonable endeavours'. What this meant in practice is that the council would encourage developers, as they're developing their contracts to put clear links with both the local economy team, and also to advertise locally. Discussions also took place around monitoring as well.

The council also looked at how it built up strategic relationships with developers right across the piece and how it could encourage working with local SMEs and also employment. The vision was to ensure that the council was growing and supporting SMEs, and also providing and acting as a facilitator between big developers who are investing in the area and smaller businesses. There was a question mark as to whether the council can go further in respect of the relationship with SMEs and that commitment of 10% of construction, and ideas of how this could be taken further had been explored.

Councillor Situ stated that it was recognised that whilst the council monitor at the moment, it could go further in monitoring, and there is specific work being undertaken as to this could be developed. So requiring developers at each stage to have a statement of intent, which is at each phase, talk about how they will go about ensuring that 10% of their contracts are going to local SMEs and this enable the council to monitor more proactively.

There was significant town centre growth right across the borough. A key question was, how the council could have a specific pilot in town centres - the Old Kent Road seemed like an immediate example in which it could be shown what was possible, and set a standard for other developers.

Councillor Situ informed the commission that the council was looking to review the guiding policy document that supports the S106 and CIL SPD and that would provide an opportunity to strengthen the wording around particular areas of focus.

Councillor Situ then answered questions from the commission members. Questions were asked around the following:

- Plans in terms of online campaigns to assist small businesses to make them aware of the opportunities that exist.
- Helping BAME businesses, from a regeneration perspective.
- Willingness to pilot innovative ways that can increase local benefit from activity in the borough.

In response to the questions, Councillor Situ informed the commission that there was opportunity to support BAME businesses within regeneration - a significant proportion of small businesses were BAME owned and in terms of wider projects this was a specific area of focus. He felt the challenge for regeneration projects was ensuring that the projects were reflective of the diversity of the communities that they represent and the way the council was seeking to address this was by empowering community groups and businesses through these projects. Councillor Situ stressed the importance of remaining open to what works, acknowledging that the economy was significantly shifting (and was shifting even before the pandemic). The council was constantly reviewing what worked in terms of getting people into employment and supporting businesses as well.

Danny Edwards reported that the council had had several conversations with GoodPeople on their proposals and welcomed any innovative way to deliver positive outcomes for residents.

The chair thanked Councillor Situ and officers for their attendance at the meeting.

RESOLVED:

That the briefing note on Local procurement via S106 obligations and the Southwark Procurement Commission – GoodPeople recommendations be noted.

6. EXCLUSION REVIEW: CHANCE UK REPORT

RESOLVED:

That the briefing document be noted.

7. EXCLUSIONS REVIEW: OFFICER BRIEFINGS

The chair informed the commission that Matt Jones, Head Teacher for Ark Globe and Chair of the Southwark Association of Secondary Heads (SASH) had been invited to the meeting in his capacity as chair of SASH to provide an overall perspective on exclusions in Southwark, what had driven the increase and how that might best be tackled, and also on partnership working between schools and the council to tackle the rising trend.

Mr Jones informed the commission that he had taken part in the Timpson Review and had been around the country and had seen some of the practices being followed in other local authorities and other school settings.

He stressed that the head teachers he worked with were wholeheartedly behind reducing exclusions, and that many of their discussions were around exclusions and the support that needed to be in place for exclusions to be reduced. He was of the view that every exclusion, whether fixed or permanent was the result of the failure of multiple agencies and local provision. He explained that schools did not work on these issues in isolation, and were a part of a local ecosystem that needed to function efficiently in order to reduce exclusions through the various means available.

Mr Jones highlighted that head teachers gave great consideration before excluding a student, even for fixed term exclusions, and that permanent exclusions came at the end of multiple interactions and or interventions. He advised that due to change in legislation that it was very difficult to exclude a child, so the exclusions that do occur are the last resort for many head teachers. The needs of the student at the receiving end of the exclusion needed to be put foremost but at the same time there was a need to balance the needs, wellbeing and safety of other people in the school community.

Mr Jones highlighted some of the challenges that may have impacted on the increase in exclusions, many of which were beyond the individual control of school teachers, such as:

- Funding for various levels of intervention, social care, mental health and early help had been dramatically reduced over the past decade and that had inevitably impacted on how schools and other institutions can support families.
- The social conditions in which some of the young people grow up in – high rates of knife and gun crime which impact on young people, either through exploitation, being perpetrators themselves or through fear of those aspects.

Mr Jones reported that it was now very rare for an individual to receive a permanent exclusion for a single serious offence. What the education sector was now trying to do was to negotiate respite provision so that the young person is removed from the community and has an intervention into another school or instigate a managed move process which involved negotiating with another school principal or teacher to take a student on permanently following a trial period in a new setting.

Some of the broad problems they [schools, health service, local authorities] were trying to resolve and change was entrenched behaviours, such as ineffective parenting, the victims or witnesses of some form of physical or emotional abuse, neglect in the home or the community, and issues around mental health which affected not just the young person but often the family also.

To get to better outcomes in reducing the rates of exclusion, Mr Jones felt the following was needed:

- Identification of the most effective and holistic interventions
- The creation of appropriate and effective structures for the commissioning, delivery and evaluation of these interventions
- Consideration as to how to appropriately fund the interventions.

He felt there were two ways to approach resolving this crisis,

- either continue with the model that is currently in place, but just get people to be

better at their jobs through training and making sure that services are deployed in a timely fashion, with a robust evaluation process,

- or a more radical approach which would be to change the structures, empower people who are on the frontline dealing daily with the families and children (who have those relationships), and by giving them the autonomy and the resource, allow them locally (in small hubs) to deal with the issues and work in combination with other schools to reduce exclusions.

In concluding Mr Jones advised that he had looked at a number of models across the country as part of the Timpson Review for which there were two types of models, local authority led, commissioned and delivered service or more integrated schools based and schools led service. What they had found nationally was that the model that had the best outcomes in terms of reduced/reducing exclusions and promoting inclusion were the schools led models where they are given the resource and the accountability and commissioning power to reduce exclusions and support young people.

Mr Jones then answered questions from the commission. Questions were asked around the following areas:

- Training provided for teachers in understanding the local context - the environment that some young people are exposed to, such as knife crime, drug dealing and being used as foot soldiers.
- Transition from primary to secondary school and how their support needs are communicated
- Mechanism for prioritisation of additional funding to support children who have SEN or mental health needs.
- Traditional structured approach vs more radical approach in terms of providing care and education.
- Ambition for 100% inclusion – challenges.
- Impact of Covid-19 on vulnerable children.
- Need for thinking differently and creatively about reaching out to and educating excluded children from their homes in light of length of time Covid-19 may last (2 years given as an example).

In terms of training provided, Mr Jones advised that there was training in understanding the local context, and then there was training for the interventions. He explained that teachers would have received numerous sessions at least once or twice a year depending on the school around the local context as they were statutorily required to undertake safeguarding training and that would inevitably touch on many of those issues. He was confident that the head teachers and staff were familiar with the local context. He also advised that the Director of Education and the local police were invited to SASH meetings every half-term. Mr Jones went on to explain further in respect of training for teachers – he advised that there would be some generic training in most schools around behaviour management, climate for learning, maintaining good order in school but. Mr Jones explained however, that training to intervene effectively with a qualified teacher may not necessarily be the best outcome for a particular situation and it may be more appropriate to commission other services that provide the right support to the child.

With regard to transition from primary to secondary school, Mr Jones advised that the secondary schools take responsibility for the transportation and disbursement of the student file, including all relevant paperwork from the primary school. In terms of funding Special Educational Needs (SEN) Mr Jones advised that schools typically overspent on their allocation for SEN provision – there were a couple of challenges around SEN, firstly getting recognised diagnosis of need which had become much more challenging in recent years, nationally the identification of SEN and Education Health and Care Plans (EHCP) is reduced. He felt there was a correlation between this and a reduction in funding but acknowledged the challenge from a local authority perspective, having a finite resource allocating to the highest needs. He advised that disproportionately, spend went on the most challenging students – he stressed however that he would not want to associate SEN with exclusions as that was just one aspect for which did not play a part in most exclusions, from his experience.

In response to the question regarding different structures and approaches, Mr Jones explained that he would not want to try and identify a suggested model as each individual area was unique. Through his involvement as part of the Timpson review what he had found was that there were variations on a theme between local authority controlled model and the schools based model, with mixed outcomes – one model not necessarily more effective than another.

In terms of the ambition for 100% inclusion, Mr Jones felt that one of the key factors in achieving this was the quality of the intervention and the timely commissioning, application and delivery of that intervention.

In terms of impact of on vulnerable children, Mr Jones advised that the impact was going to be significant in two ways, firstly, just missing the formal education was going to put them further behind, typically, vulnerable students are also the ones who are academically underachieving that gap is going to widen. In reviewing data and anecdotal feedback from other secondary school head teachers, vulnerable children were the ones who were not completing work online or engaging in livestream lessons. Another impact was going to be a social/behaviour gap - for instances where there is ineffective parenting or negative influences in the community, school was the best place for them to develop many of the behaviours that would be hoped that they display in adult life. Without the socialisation, routines and rituals that the school environment provides to help shape young people, their behaviours and personal characteristics may be detrimentally affected (loss of social conditioning, clear boundaries and expectations and consequences being followed up).

With regard to supporting and educating excluded children from their homes, Mr Jones informed the meeting that teachers had been thinking about how they could in the short term use technology to ensure that students did not miss out on their education but stressed that excluded students needed to be in a socialised environment so that they learn the behaviour of how to interact with each other as most of the exclusions would be about their social interaction with their peers or adults and unless they were in an environment where they get to practice that so having a solution where an excluded child spends most of their time at home on their own will not lead to an improvement of behaviour. He further explained that what teachers were thinking about was how to use technology to make sure that when a child is excluded that they are doing an appropriate amount of work to keep the impact of the exclusion to a minimum.

The chair thanked Matt Jones for his attendance at the meeting.

The commission heard from Neil Gordon-Orr, Service Development Lead, Inclusion on the subject of Off-rolling, the mechanism for permanently removing a child from a school without having to go through a formal exclusion process, either by persuading a parent to withdraw their child or removing them from the school register or other circumstances. Neil Gordon-Orr went through the position statement circulated with the agenda.

In summarising Neil advised that no evidence had been found that supported the occurrence of systematic off-rolling and there had been only one or two cases where schools had been open to challenge.

Neil answered questions of the commission. Questions were asked around the following:

- Accuracy of the statistics in light of the national picture.
- Measures put in place to ensure that child is actually receiving home education.
- Introduction of national targets and statistics for permanent and fixed term exclusions to reduce off-rolling.
- Proportion of home education children who had received temporary exclusions.

In terms of accuracy of the statistics Neil explained that this had been partly caused by schools failing to provide regular notifications of children leaving which had now been addressed following strong challenge by the local authority. It was acknowledged that there were children who are missing education through not attending school, but this was not necessarily due to off-rolling.

He estimated that about a third of children who are being home educated had some previous involvement with either early help, social care or some other level of need. The majority of children had previously been in school at some point. In some cases, the parents have moved the child out of school because they were unhappy with the situation at the school. Neil advised that the children who were particularly cater for his is where a child who maybe would have been excluded, but hasn't because they have gone down the home education route as an alternative, for which the proportion was quite high. Neil agreed to comeback to members with he figures.

In terms of data published on children leaving schools, Neil explained that this did not really reveal much as very popular schools tend to have a higher retention of children whereas the less popular schools tended to have more children leaving to go to other schools. He reported that Ofsted were trying to do some analysis to see if you can compare exceptional levels of movement, which was being classified as more than 5% of children between year 10 and year 11 nationally. No league tables had been published with this information – he did think however that publishing data like that does increase levels of accountability.

The chair thanked Neil Gordon-Orr for his attendance.

RESOLVED:

That the position statement on off-rolling, NEET Briefing, Exclusion rate charts and summary of Summerhouse cohort study be noted.

8. SCHOOL EXCLUSIONS AND ALTERNATIVE PROVISION SCRUTINY REPORT

The commission discussed the draft report on school exclusions and alternative provision.

Commission members made a few suggestions for inclusion in the report as follows:

- Correlation between exclusions and people who are known to Southwark care service and are known to have witnessed domestic violence.
- Highlight cost of exclusion, both to individuals and society.
- Council's commitment to treat 100% of young people with diagnosed mental health condition.
- Reflecting the connection with NEETs.
- Inclusion of the figures on home educated children who previously had history of exclusions or temporary exclusions.
- Intervention at primary school level.

RESOLVED:

That the report be agreed as the final version of the report for submission to cabinet subject to incorporating the suggestions indicated above.

9. PROCUREMENT REVIEW: OFFICER BRIEFINGS

RESOLVED:

1. That the response to the questions on the Fairer Future Procurement Framework, Social value pilots and procurement monitoring and volumes be noted.
2. That the procurement briefings regarding local SMEs and VCS organisations within Children and Adults Services be noted.

10. PROCUREMENT SCRUTINY REPORT

The commission discussed the Procurement strategy report and the following areas of amendment identified in light of information received at the meeting:

- Recognition that the monitoring of existing S106 commitments relating to using local businesses to be tightened up.
- Recommendation around South London Procurement Network (SLPN) model – reference a specific pilot such as Old Kent Road or one of the other major development sites in the borough.
- SPD document – tighten up wording around, what the council can ask developers for, subject to appropriate legal advice.

RESOLVED:

That the report be agreed as the final version of the report for submission to cabinet subject to incorporating the suggestions indicated above.

11. WORK PROGRAMME

The members discussed potential items for the commission's future work programme. The following areas were suggested:

Impact of Covid-19 on Education

- Ability to access education (particularly vulnerable children)
- Re-opening of schools (and safety).
- Estimated grades (under estimation of grades for children from poorer backgrounds), Consider whether want to look at outcomes of estimated grades.
- Children needing to re-sit exams in the autumn - financial implications for children in light of suspension of zip cards, potentially affecting ability to travel for some students.

Impact of Covid-19 (and Brexit) on Businesses – Council activity (emergency response and longer term plans).

- Resilience of Southwark Businesses in light of Covid-19 and Brexit (and potentially a no deal Brexit) – What can the council do to help.
- Hospitality industry, night time economy, live music – very prevalent in Southwark.

The chair thanked the commission members for their contributions throughout the year.

The meeting ended at 8.34pm

CHAIR:

DATED:

Education: Exclusions and alternative provision

Report of the Education and Business Scrutiny Commission – July 2020

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Executive summary

This report summarises the Commission’s investigation into the rising trend of exclusions in Southwark. Exclusions are a major concern as they lead to children missing out on many of the benefits of a good education, and are associated with a wide range of negative life outcomes for children. **The Commission also look at the educational attainment of children attending core alternative provision in Southwark,** which has historically been poor.

The Commission hopes this report will help to improve the outcomes for children living in Southwark, particularly vulnerable children who are at an increased risk of exclusion.

The majority of Commission’s work took place before the onset of the Covid-19 pandemic. The effects of the pandemic have led to a number of policy responses, including the widespread closure of schools, which stand to have a profound impact on vulnerable children. The pandemic makes it more important than ever that Southwark Council helps schools to find a way to reverse the rising tide of exclusions.

Background

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%. Approximately 80% of fixed term and permanent exclusions happen in secondary schools. **Southwark has largely followed the national trend of rising exclusions with rates of exclusion doubling since 2012/13.**

Outcomes for children who have been excluded are markedly worse than those for children who have not been excluded. **Excluded children are more likely to be involved in crime, to be exploited and to face long-term unemployment.** For example, 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. A third of children who complete their Key Stage 4 in alternative provision go on to become NEET (not in education, employment or training), which is itself associated with poorer career, income, physical health and mental health outcomes.

Department for Education research shows that black, Asian and minority ethnic (BAME) children, particularly black Caribbean, Gypsy, Roma and Traveller children, children with special education needs, children in need and those eligible for free school meals (FSM) are disproportionality 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.

There has also been increasing attention nationally to rates of off-rolling, the unlawful practice of removing learners from the school roll without formally excluding them, in the interests of the school rather than of the child. This trend has fed into rising rates of home educating throughout the country.

The BBC estimates that home educating has increased by 40% over the last three years. **Rates of home educating in Southwark have risen significantly in recent years as well, more than doubling since March 2017,** from 92 to 216 children of statutory school age (5-16).

Alternative provision is used when children are excluded (or sometimes at risk of being excluded) from mainstream school. In spite of its huge costs, outcomes for children in alternative provision are consistently poor. Results for children in alternative provision in Southwark broadly reflects the poor national trend. **In Southwark, in 2017/18, none of the children who completed alternative provision achieved a pass grade (between grade 9-4) in English or Maths.**

These trends have arisen in the context of increasing regulatory complexity, with responsibility for exclusions residing clearly with schools, and oversight of exclusions and off-rolling sitting between the Education and Skills Funding Agency, Ofsted and the Regional Schools Commissioner. Under the current regulatory setup, schools have an obligation to provide relevant data to local authorities, but **local authorities have limited, if any, formal powers to challenge exclusions directly**.

What we did

The Commission took a comprehensive approach to gathering evidence for our report. **We interviewed various council officers, the Regional Schools Commissioner, 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.** The Commission also interviewed one of Ofsted's Inspectors and took contributions from a national charity providing alternative provision in Southwark (Chance UK). Members of the Commission visited Southwark's Pupil Referral Unit (PRU) and we heard from alternative provision providers in other local authorities as well.

What we found

The Commission's findings fell into seven areas:

Exclusions

There is a worrying trend in recent years of rising rates of exclusions in Southwark, which is disproportionately impacting BAME children, those with SEN and schools with high levels of FSM eligibility. The Commission had to probe Council figures to arrive at this conclusion. Recent figures suggest that 82% of excluded children are BAME although only c.40% of under 20s in Southwark are BAME, double the proportionate share. Children with some form of special educational need have made up 39-45% of exclusions and 98% of Southwark's Pupil Referral Unit attendance, although nationally less than 15% of children have any type of SEN, roughly triple the proportionate rate. Finally, available data shows a clear correlation between schools with higher rates of exclusions and roll deletions, and their proportion of FSM-eligible children.

Our findings show that two academy chains are responsible for the majority of exclusions in Southwark and are excluding at a rate markedly higher than other schools in Southwark.

The data shows us that two academy chains, Ark and Harris, appear to be excluding children at well above the average rate 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. The Commission received positive engagement from Ark highlighting various areas of recent progress and explaining its figures in greater context. Concerningly, the Commission received no engagement from the Harris chain of schools.

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. **The Commission heard the personal stories of children who have been excluded in Southwark. Children's personal stories of exclusion painted a picture of exclusions – both fixed and permanent – being carried out in far too casual a manner**, and having profoundly damaging impacts on children who are often already vulnerable.

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.**

Off-rolling

The Council is still getting to grips with identifying and responding to suspected cases of off-rolling. Council 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, but identifying whether individual deletions are improper is difficult.

Whilst the Commission is encouraged by recent progress the Council is making in detecting possible cases of off-rolling, **overall the Commission did not feel satisfied that the Council is at present identifying and challenging suspected instances of off-rolling robustly.**

Home education

Numbers of home educated children are rising rapidly, and it is often the children with greatest levels of need being home educated. Officers identified that a significant proportion of home educated children in Southwark have additional needs that are likely to pose challenges to families trying to provide a suitable home education.

Alternative provision

Southwark's main alternative provision is good, as reflected in its most recent Ofsted rating, but student outcomes have been worsening in recent years. The Commission visited Southwark's Inclusive Learning Service ("SILS") and saw first-hand much of the good work that it is doing with extremely vulnerable children who have struggled in mainstream education and for whom academic targets are not always appropriate. **Whilst the Commission acknowledges the difficult circumstances in which SILS does its best to deliver for children in Southwark, SILS results are of real concern to the Commission. The percentage receiving even 1 good (9-4) GCSE has been repeatedly falling, from 100% in 2014/15 to 28% in 2017/18.**

The Commission received evidence from SILS and beyond of the importance of intervening early, for example by sending children to SILs before they are permanently excluded to try and "turn around" their trajectory. Indeed, intervening at secondary school is for many children is problematically late. Intervention at primary school can be far more effective.

The Commission heard about the work of Victoria Drive, a primary school Pupil Referral Unit in Wandsworth, where children are dual rolled and provided with specialist support for their social, emotional and mental health needs. No children who have attended Victoria Drive in recent years have gone on to attend Wandsworth's secondary school PRU, a very encouraging statistic.

The Commission also reviewed evidence regarding nurture-based models, used wisely in Glasgow, which show real promise of lowering rates of exclusion.

The data landscape

Schools are legally required to provide local authorities with data relating to fixed term and permanent exclusions. **The Commission heard how the Council receives mixed quality data from schools, often late and with major errors** (e.g. significantly undercounting fixed-term exclusions), which hampers the Council's ability to identify underperforming schools or to identify broader exclusion trends.

The Commission has some concerns about how the Council is analysing data that it does receive. **Over the course of our investigations we identified issues with figures on the proportion of BAME children being excluded** as well as possible issues with how data on numbers of exclusions and managed moves is processed.

Regulatory responsibilities

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, who set out the respective responsibilities of different regulatory bodies. Local authorities like Southwark Council are therefore left with a significant but non-formalised responsibility for liaising with the various different regulatory bodies to flag concerns, but little to no authority to investigate problems or enforce breaches.

School and Council partnership

In spite of the various issues identified by the Commission, **many schools are going to great lengths to be inclusive and working well with Southwark.** The Commission heard from schools that are using various measures to reduce and avoid exclusions, including:

- Using internal alternatives to fixed term exclusion.
- Proactively using alternative curricula and guided pathways to avoid pupils becoming disengaged.
- Regular contact with parents of students of concern and agreed plans of action.
- Wrap-around provision to provide more wholesome outlets for vulnerable children.

Whilst we recognise most schools will be taking some or all of these steps, a selection of schools have managed to combine these and other methods to reduce exclusions to zero or close to zero.

The Commission spoke to headteachers across Southwark in the course of its investigations. **Several headteachers raised 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 also mentioned that 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.

Southwark schools, like the Council, want the best for our children. **The headteachers we have spoken to support a bold vision from the local authority to reduce the current exclusions trend, but they want to see this vision supported by clear commitments from the Council to do things differently and to work in close partnership.**

Summary of 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. **The Council should conduct an action-focused review into the disproportionate representation of BAME and SEN 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, the 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.**

The Commission’s full recommendations are contained in Part 3 of this report, and a checklist to track acceptance of and performance against the Commission’s recommendations is contained in Appendix 1.

Part 1: Introduction and background

In this report the Commission investigates the rising trend of exclusions in Southwark. Exclusions are a major concern as they lead to children missing out on many of the benefits of an education, and are associated with a whole range of negative life outcomes for children, from involvement in crime, to an increased 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 about the educational attainment of children attending core alternative provision in Southwark, which has historically been poor in Southwark and throughout much of the country.

The Commission's aim is to help improve the life outcomes of 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 an often unhelpful regulatory environment that has been established by central government. No school wants 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 majority of the Commission's work took place before the onset of the Covid-19 pandemic. The effects of the pandemic have led to a number of policy responses, including the widespread closure of schools. Whilst many schools have remained open to vulnerable children, there are concerns that too few are attending, and that many at-risk children may not satisfy vulnerability requirements. Taken together with its broader socioeconomic effects, the pandemic stands to have a profound impact on vulnerable children, making it more important than ever that the Council helps schools to find a way to make schools fundamentally more inclusive, and to reverse the rising tide of rising exclusions.

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 (approximately 80% of fixed term exclusions and permanent exclusions).

The impact of exclusions

Outcomes for children who have been excluded are markedly worse than those for 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). Children who are excluded are often already vulnerable, which amplifies the harm that can be caused by exclusions. Widespread concern about the human cost of rising

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*.
[reporthttps://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/814368/understanding-educational-background-young-offenders-amended-summary.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/814368/understanding-educational-background-young-offenders-amended-summary.pdf)

exclusions led to a review chaired 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 shows that black, Asian and minority ethnic (BAME) children, particularly black Caribbean, Gypsy, Roma and Traveller children, children with special education needs (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 formal definition, Ofsted defines off-rolling in their current inspection framework as “the [unlawful] 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

Home educating nationally

Data on the number of children being home educated nationally suggests that 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 more 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.

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

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%2Fdocuments%2FSN05108%2FSN05108.pdf&usq=AOvVaw36CvKtk1hrLW6h4PY9PtjK>

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

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 these 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

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 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). In 2012/13, 24 children were excluded from Southwark's schools, this had risen to 51 in 2017/18. Preliminary figures provided by officers suggest that there has been a decline in 2018/19, but the Department for Education is yet to release definitive figures for that year.¹³

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.

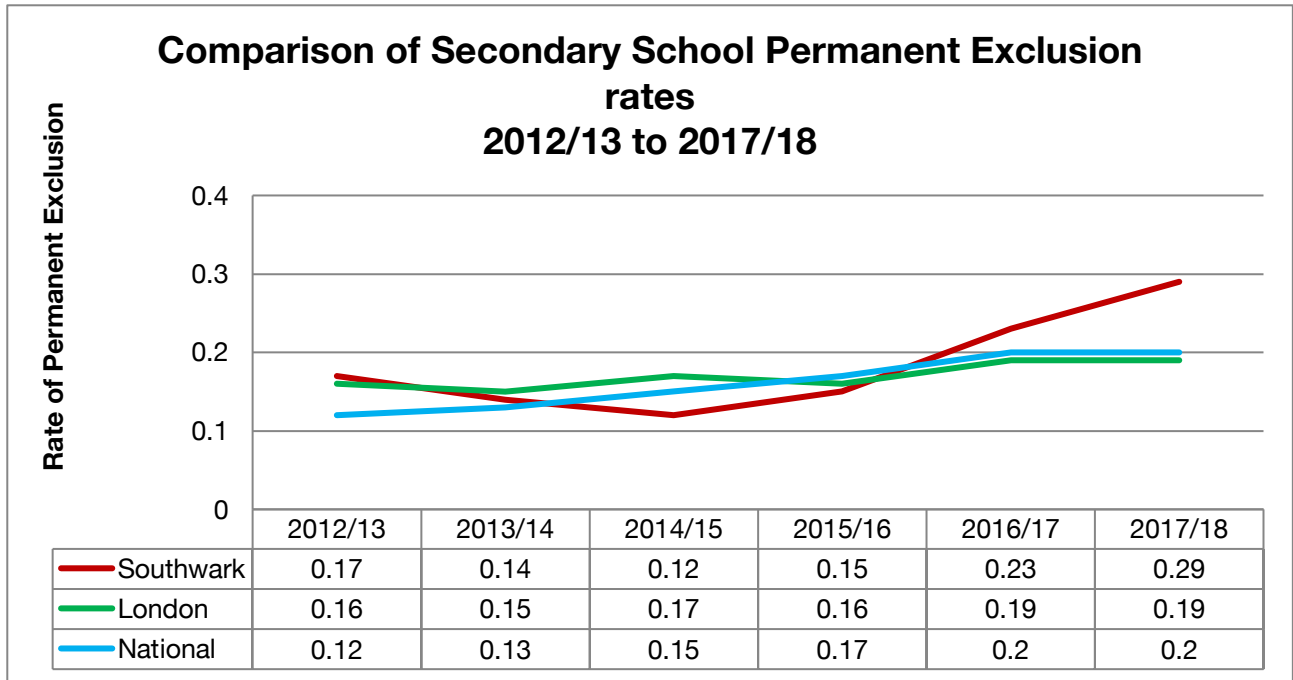
https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=2ahUKewjQprqFs93nAhUoSxUIHVdABhkQFjAAegQIAxAB&url=https%3A%2F%2Fassets.publishing.service.gov.uk%2Fgovernment%2Fuploads%2Fsystem%2Fuploads%2Fattachment_data%2Ffile%2F772848%2F2018_AP_tables.xlsx&usq=AOvVaw0GwNeBzhnf_MHAevcLopIV

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.

Chart 1



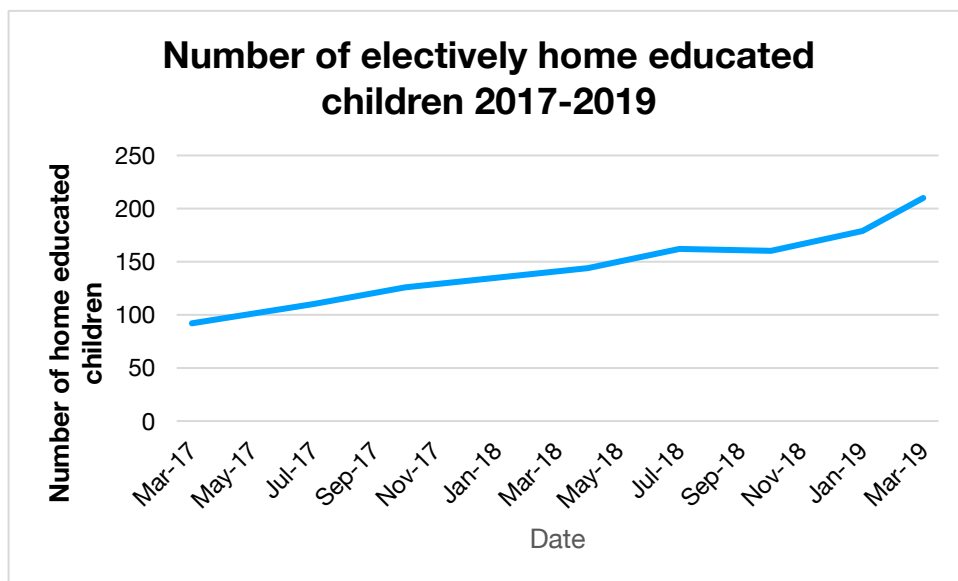
Southwark’s fixed term exclusions have also been increasing over the period. As of 2017/18, Southwark had a rate of 8.67%, above the London average of 7.63% but below the national average of 10.13%.

Permanent exclusions of primary school children in Southwark are rare. Southwark’s rate of primary school exclusion has 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, below).

Chart 2



Alternative provision in Southwark

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

Results for children in alternative provision in Southwark broadly reflects the poor 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, 7% have Education, Health and Care Plans (“EHCPs”) and 91% receive SEN support, reflecting these children’s high levels of vulnerability and need.¹⁵

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 are not 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 the 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 requiring 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

¹⁴ See

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%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.

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>

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 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 and Ofsted. Members of the Commission visited Southwark's PRU and we heard from alternative provision providers in other local authorities, as well as a national charity delivering alternative provision in Southwark (Chance UK).

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.

A list of interviewees and contributors is included in Appendix 2.

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 BAME children, 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 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, 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 BAME people represent approximately 40% 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

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

figure may be higher, as nearly 98% of children in Southwark's PRU have either SEN support or an Education, Health and Care Plan ("EHCP").²⁰ Government statistics for 2018 showed 14.6% of children have some type of SEN, with 11.7% receiving some SEN-related support and 2.9% with an EHCP.²¹

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).

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.

Two 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:

- Two academy chains are responsible for the majority of exclusions in Southwark and are excluding 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 rate 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). The figures do show that several secondary schools have either zero exclusions or extremely small numbers, including Bacons College, The Charter School, Kingsdale and a number of the Diocese (or "faith") schools.

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

²¹ See Special Educational Needs: an analysis and summary of data sources. Available here: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/804374/Special_educational_needs_May_19.pdf

Table 1: Absolute 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 rate 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.²² 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. 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,²³ 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.

Disappointingly, the Harris chain of schools did not engage with the Commission's investigation. 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

²² This may be due to different reporting practice for reporting exclusions of non-Southwark children in Southwark schools.

²³ 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.

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).²⁴

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 the desperate 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:

- 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.

Online surveys were also devised to seek the views of young people and their families, who had experience of exclusion, either fixed or permanent, in the last four years. Unfortunately, the response rate was very low, with only three family members participating. All were dissatisfied or very dissatisfied with the support received from their child's school and the exclusions process. However, it is usual for survey respondents to be either very unhappy or very happy with a service, so this cannot of itself be interpreted as a representative view of families' experiences.

Of the survey responses received, one family member of a primary school age child who had received repeated fixed term exclusions did not think they were useful. She said she would have liked the spending allocated for her special needs child to be better allocated, and for the school to focus more on meeting her child's needs rather than what she perceived as holding unrealistic expectations and apportioning blame. Another family member of a secondary school age child considered their child was off-rolled at a crucial time during options at year 9; commenting that no other school was found or offered and her child ended up out of school. The third family respondent's child was moved to a PRU, which they did not think worked out well, but rather increased the risk of gang involvement. That family member pinpointed the need for more mental health provision and help resolving bullying to prevent their child's exclusion and other children.

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

²⁴ 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

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 an important component of, if there is sufficient shared commitment between schools and the Council.

Off-rolling

The Council 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.

Table 2: Reasons for children being deleted from 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 does not feel satisfied that 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.

Officers also provided data on the results of a recently conducted tracking exercise carried out by the Council using Ofsted's methodology to identify 'exceptional pupil movement'. This is defined as schools where more than 5 children and more than 5% of the roll leaving in a year. 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 2,576 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, which is over a quarter of all secondary schools.

In terms of compliance with duty to inform LA of children being deleted from school registers, officers reported that forms had been submitted for only 74% of children leaving Southwark schools in this Year 10/11 cohort. One school had 11 missing forms.

Officers reported that they then followed this up with senior school's leaders. The Commission received assurances that managers and staff in Education and Family Early Help service are very aware of the risk of off-rolling and provide challenge to schools, including following up missing information and undertaking audits. As a result of this, and of Ofsted's increasing focus on this issue, they reported that 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.

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 consistent use of these more robust processes which have been put in place recently for identifying trends, identifying reporting gaps, and escalating suspected off-rolling cases. Officers need to go further to ensure schools comply with their duty to provide the Local Authority with up to date forms for all children leaving the school roll. Continued close work with Ofsted will also be vital to tackling exclusions as the formal power to tackle off-rolling resides with this body.

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, in the officers' report to the Commission, they 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, Child and Adolescent Mental Health Services or the Youth Offending Service 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 rated 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.²⁵

SILS has been rated by Ofsted as good in its most recent inspection.²⁶ 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 and originating schools often do not release all funding attached to a child when they transfer to SILs, although it should rightly follow the child. Ms. 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 acknowledges the difficult circumstances in which SILS does its best to deliver for children in Southwark, SILS results are of real concern. 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

²⁵ 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)

²⁶ See Ofsted’s report on SILS here: <https://reports.ofsted.gov.uk/provider/22/135260>

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 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 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 role 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.

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.

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

Other submissions to the Commission made it clear that, for many children, intervening at secondary school is problematically late, and 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.

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 alongside working with parents and family, using a 'nurture model'. There is also a 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 EHCPs in place in the many cases where children remain vulnerable.

Summerhouse, Southwark's preventative provision for primary aged children at risk of exclusion, has a similar model, however there is less explicit use of the nurture model and although children usually return to the host school, dual working did not appear to be such a strong characteristic. The tracking showed that two children did later become excluded from secondary schools.

The Commission also heard from Chance UK, an early intervention organisation that provides mentoring and family support to 200 children in London (70 in Southwark) and their families/carers. Chance UK reflected that, whilst most exclusions happen at secondary, problems most often begin to show at primary school, and go unaddressed with children not receiving enough SEN, behavioural or mental health support. Chance UK suggest tackling problems early and working with families to understand the broader context of children's issues. These perspectives align strongly with the Commission's own findings.

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.²⁷

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."

Education Scotland reports that Glasgow's exclusions have dropped by 80% since 2006/07.²⁸ 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 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

²⁷ 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>

²⁸ See reporting on fall at <https://www.glasgowlive.co.uk/news/glasgow-news/glasgow-school-exclusion-figures-drop-16024952>

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%

Further, the Commission were provided with data stating 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 2016.²⁹ The Commission notes that this disparity may be due to legitimate differences in reporting practices.³⁰

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 with schools rather than at a local authority level.

²⁹ 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>

³⁰ Possible reporting differences could include different reporting of Southwark children excluded from non-Southwark schools or non-Southwark children excluded from Southwark schools.

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. Ms. Burton 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 level, 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 to help 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. The 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 Majesty's 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 and 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. 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 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, such as cooling off areas and 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.
- Having regular contact with the parents/carers of students that 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/carers 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 mixes as the worst 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 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 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.

The Commission heard from Mr. Matt Jones, Chair of the Southwark Association of Secondary Heads (“SASH”) and Executive Principal of Ark Schools. Mr. Jones reaffirmed that radical solutions are needed to tackle exclusions. He put forward that schools are broadly committed to accepting ambitious targets to eradicate exclusions in all but the most exceptional of circumstances, if the Council would bring a genuine openness to taking radical approaches (as an example, pursuing school-led alternative provision across the borough) and working in even deeper partnership with schools than they do at present.

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: The Council should conduct an action-focused review into the disproportionate representation of BAME and SEN 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 develop an action plan outlining clear steps to understand why certain BAME children are over-represented in exclusions and to work with schools to address the issue. Based on the data the Commission reviewed, a similar exercise is needed for SEN children as well.

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 be used to determine 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 suggest 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 the primary school stage, include families, 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 which has been committed to as part of the Council's pledge that 100% of children with a diagnosed mental health condition will have access to the mental health services they need.

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

incomplete, 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. The Council should track how many such escalations are happening, whether they are informal or formal escalations.

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, the 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 forum is required to underpin Charter and partnership commitments, e.g. re-introducing 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 families of those excluded, officials and many more. The Chair would also like to thank Cllr Maggie Browning, who joined one of the Commission's visits 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.



Cllr Peter Babudu

Chair, Education and Business Commission

Appendix 1: Recommendations Progress Checklist

Recommendation	Accepted?	Target completion date
Recommendation 1: Inclusion – Commitment and target		
Create a charter for inclusion in conjunction with schools, setting out a clear vision statement, time-bound commitment and agreeing best practice for conducting any permanent exclusions in the interim		
Produce an annual inclusion performance report on progress towards the 100% inclusion target and related activities		
Recommendation 2: Inclusion – Disproportionate representation		
Begin tracking and monitoring data more closely on exclusions by key characteristic, particularly for BAME children		
Investigate reasons for over-representation of BAME and SEN children in exclusion figures		
Develop an action plan to reduce BAME and SEN exclusions		
Recommendation 3: Off-rolling		
Create a clear process for identifying, challenging and escalating suspected cases of off-rolling		
Investigate whether any groups are being disproportionately affected by off-rolling, as with exclusions		
Recommendation 4: Home education		
Conduct a review of children currently being home educated to identify possible cases of forced home schooling		
Recommendation 5: Alternative provision		
Develop action plan for rethinking alternative provision and ensuring better outcomes for children currently attending SILS		
Draw on identified models for providing dedicated CAMHS support to children attending Summerhouse funded via the NHS or the Council's dedicated additional mental health spending in schools		
Recommendation 6: Data		
Keep comprehensive records of which schools are providing late or incorrect data with no reasonable explanation		
Recommendation 7: Regulatory reporting		
Commit to consistently escalating school data or off-rolling concerns to appropriate regulatory bodies		
Track numbers of escalations/reports of data and off-rolling concerns to regulatory bodies, whether formal or informal		
Recommendation 8: School and Council partnership – peer review		
Facilitate peer reviews of exclusions performance by local schools		

<i>Recommendation 9: School and Council partnership – Terms, roles and forums</i>		
Incorporate School-Council partnership commitments into any Charter, including agreements on improved information sharing by schools and “at risk of exclusion” support for school children by the Council		
Create a role equivalent to an Inclusion Officer to help drive reductions in exclusions		
Determine whether any additional School-Council forum, e.g. a behaviour and attendance partnership, is required to underpin renewed School-Council partnership		

Appendix 2: List of interviewees and contributors

Commission members

Councillor Peter Babudu (Chair)
 Councillor William Hougbo (Vice-Chair)
 Councillor Karl Eastham
 Councillor Renata Hamvas
 Councillor Eleanor Kerlake
 Councillor Lorraine Lauder MBE
 Councillor Eliza Mann
 Lynette Murphy-O'Dwyer
 Martin Brecknell

Councillor Contributors

Councillor Jasmine Ali, Cabinet member for Children, Schools and Adult Care
 Councillor Maggie Browning

Scrutiny officers

Shelley Burke, former Head of Scrutiny
 Everton Roberts, Acting Head of Scrutiny
 Julie Timbrell, scrutiny Project Manager

Education officers

Nina Dohel, Education Director
 Alasdair Smith, Director Children's and Families
 Jenny Brennan, Assistant Director Family Early Help & Youth Justice.
 David Bromfield, Education Adviser
 Neil Gordon-Orr, Service Development Lead - Education Access

Academies, schools and teachers

Ark Academy
 Southwark Diocesan Board of Education, Rachael Norman, Secondary Schools Adviser
 Catholic Diocese, Dr Simon Hughes
 Yomi Adewoye, Headteacher SILS
 Eileen Shannon, Head Teacher, Victoria Drive PRU
 Carol Self, Nurture Provision lead, Wandsworth Council

Education leads

Claire Burton, Regional Schools Commissioner (RSC)
 Martin Finch, Senior HMI, Ofsted

Young people

Cristian Fernandez
 Chanay Golding
 Olamide Taiwo
 Alex MacArthur-James

Voluntary and Community Sector

Chance UK

Procurement: Accessibility and Social Value

Report of the Education and Business Scrutiny Commission – July 2020

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Executive summary

The Commission investigated 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. **The Commission also looked at the Council's early activity to implement social value provisions of its Fairer Future Procurement Framework.**

The Commission completed the bulk of its investigations before the onset of the Covid-19 pandemic. **The profound impact of Covid-19 on Southwark's residents and businesses means the Commission's findings are more important than ever.** It is critical that Southwark Council takes a radical approach to strengthening our local economy post-Covid 19, and the contents of this report outline some important first steps in that direction.

Background

Central government estimates that nationally 5.4% of SMEs are BAME-led. Latest estimates are that 14% of the population of England and Wales are BAME, 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.

Worryingly, the Commission could not identify reliable national statistics for the number of businesses led by people with a disability.

Southwark is a highly diverse borough (46% of Southwark's population is BAME) with many micro- and small businesses. **Nearly 87% of Southwark's 16,000 businesses are micro-businesses with less than ten staff.** Unfortunately we do not have reliable data on the demographic breakdown of Southwark's business leadership. **Local businesses are more likely to bring added value to the communities in which they exist – whether through increased local spending, more local employment, or their business practices more generally.**

Across the country, there is huge variation in how much local authorities procure either locally or via community organisations. 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, with an average of only 19% for London authorities.

Southwark Council is a major procurer. **The Council has an annual turnover of £1.2 billion and spends approximately £650 million per annum.** Beyond the Council's own procurement, Southwark has a vibrant economy with significant volumes of major companies operating in the borough.

What we did

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.

What we found

The Commission's findings fell into four areas:

The data landscape

The Council captures very limited information on the demographic profiles of who it procures goods and services from. Although it is possible to collect such information for tenders that fall under relevant EU thresholds, it is not done.

The 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.** The Council does have rules for when a local tender should be secured if possible (for tendering opportunities valued between £25,000-£100,000). 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 currently goes to local providers as a consequence of this guidance.

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.

Given the lack of data currently collected on the Council's procurement activity or on businesses in Southwark, the Commission relied on the best information available (e.g. from local businesses) and looked to lessons learned from beyond the Council, to inform our findings and recommendations.

Accessibility to small businesses

We heard first hand from **local businesses** and their representatives, that they **find procurement opportunities hard to access, and actively want support.** We heard that:

- **SMEs find that bidding is a skill that needs to be learned**, and many do not have the expertise, networks or support to develop it.
- **BAME-led businesses in particular bemoan a lack of case studies** of successful SME procurement journeys.
- **SMEs feel that the Council is rarely prepared to take even managed risks** to support local businesses.
- **SMEs can successfully secure procurement opportunities** from developers and other external parties **when they are provided with comprehensive support and information.**

The Commission identified some pockets of good procurement practice in the Council that show promise for other departments. Children and Adult Services ("CAS") in the Council have taken a number of steps that help to ensure that relevant SMEs and community organisations have a viable prospect of successfully bidding. Many of CAS's initiatives could be tailored to different procurement contexts, including:

- Holding quarterly provider forum meetings.
- Supporting networking between prospective bidders.
- Ensuring there is a relevant pool of procurement opportunities with value sizes that do not prohibit SMEs from bidding.

The Commission identified a series of issues with the Council's current procurement approach that make it less accessible to local businesses:

- 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
- SMEs currently do not have many training opportunities where the bidding process and opportunities pipeline is communicated to potential bidders.

Without activity like this taking place, it is hard to understand how Council departments can reliably know how to distribute relevant value opportunities to local businesses.

Existing social value practice

The Commission looked at the Council's new fairer future procurement framework. **The Fairer Future Procurement Framework is a bold step with real potential of procurement to help build community wealth, deliver social value and many other benefits.** Whilst the framework is still in pilot, with early contracting processes showing mixed results, the Council is implementing a social value portal to assist its ongoing efforts and has committed additional resources which the Commission believes could help to upskill procurement teams.

From the Commission's investigations, we see from other local authorities that there is **tremendous scope for the Council to partner with other locally-embedded organisations to work together and strengthen the local economy**, ensuring less wealth is extracted from the community, and more wealth is recirculated to the benefit of local citizens. The Commission examined a range of promising practices, most of which are not widely practiced in the Council and/or have not been extended to key local partners at present, including:

- Pursuing progressive procurement, **actively looking to strengthen local supply chains** and social ownership models to support local community businesses.
- **Actively supporting plural ownership of the economy**, so that more economic power is returned to local people.
- **Making the Council's financial power work for the area**, whether through the deployment of pension funds or beyond.
- Supporting fair employment and good labour practices (an area where the Council is particularly strong already).
- **Finding socially productive uses of land and property**, supporting greater community uses and ensuring that financial gains can be harnessed by local citizens.

Available evidence strongly suggests that **these community wealth-building approaches could help deliver a range of productivity, social and environmental benefits to Southwark.**

The Commission took further evidence from beyond our borders on possible improvements to local procurement practice. Amongst the many useful insights, we identified that:

- Other local authorities have significantly increased their volume of local spend by **adapting local quote requirements** for different tender thresholds.
- The Council can **use planning processes to encourage developers and other corporates active in Southwark to develop their local and social supply chains**
- **Platforms exist to make procurement opportunities more accessible** to local and social enterprises
- **Authorities can use existing flexibility within procurement rules** to benefit their local economy.

Authorities like South Tyneside and Preston have increased their local procurement by 100-200% by instituting the sorts of measures identified in this report, and innovative uses of s106 agreements have facilitated over £100m of procurement opportunities for SMEs.

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 bidding opportunities.**
4. **Develop a list of local providers that can be readily added to and is accessed as a standard part of relevant procurement processes to raise awareness of relevant bidding opportunities.**
5. **Offer training for relevant businesses, and facilitate 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 supported by an enhanced central procurement function role. This approach should include: (i) requiring an explicit exemption for eligible tenders to waive the 15% social value requirement, (ii) the Council developing model social value clauses covering anticipated future contracts in all Council departments, and (iii) the Council developing simple ways of recognising the types of social contributions made by local micro, small and community businesses.**

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 Council.**
9. **The Council should use s106 agreements, and work with developers and other large partners in other innovative ways to make more of the external procurement opportunities that exist in Southwark accessible to local SMEs. The Commission recommends better monitoring of developer performance against commitments, and piloting (in the Old Kent Road area) the SLPN model, where the Council uses s106 agreements to get developers to fund local SME procurement support and increase purchasing from local SMEs in their supply chains.**

The Commission’s full recommendations are contained in Part 3 of this report, and a checklist to track acceptance of and performance against the Commission’s recommendations is contained in Appendix 1.

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 social value provisions of its Fairer Future 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 Commission completed the bulk of its investigations before the onset of the Covid-19 pandemic. The pandemic has already had profound effects on Southwark's population and its businesses. Many businesses will fail and most of those that survive will not be able to operate as they did previously. The impact of Covid-19 means that the Commission's findings are more important than ever. In this report the Commission identifies practical steps the Council can take to make procurement more accessible to local businesses and community organisations, whilst delivering more, not less, value. The Council can also act as a standard setter for larger businesses operating in the borough, so that they improve their procurement practices as well. It is critical that we take a radical approach to strengthening our local economy post Covid-19, and in this report we outline some important first steps in that direction.

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.

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

Local authorities are major procurers but local procurement levels are mixed

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 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% of Southwark’s population 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 amongst 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 micro and 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 regeneration 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

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>

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, 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.

The Fairer Future Procurement Framework

In 2019, the Council introduced the Fairer Future Procurement Framework. The FFPF built on the Council’s 2016 Fairer Future 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 Future Procurement Framework.⁹

A list of interviewees and contributors is included in Appendix 2.

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 Future Procurement Framework, and was more fully realised in the current, 2019 Fairer Future 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 captures 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 captures 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 for tenders below relevant EU thresholds.

The Council does 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 currently goes 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 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 procurement practice in the Council 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 Services ("CAS"). CAS has a relatively large (for council departments) 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 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 is 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.

Two recent commissioning processes run by CAS (for a Disabilities' Support Hub and an Older Persons' Support Hub) had mixed success with only one awarded, reflecting some of the challenges that can exist in attracting sufficient local bids for large complex programmes, and the challenges of realising additional social value. CAS has identified several smaller opportunities (from coordinating family group conferences to mental health homelessness services and language and communication support) that should be more readily suited to smaller suppliers.

There is limited systematic activity within the Council 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 is 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 are 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 This is of particular interest to this Commission, as even under a decentralised procurement model there should be mechanisms for ensuring data is collected on adherence to local tender requirements, and the volumes of procurement activity that happens at lower thresholds.

Existing social value practice

The Council's new Fairer Future Procurement Framework is a bold step with exceptional potential that needs concerted effort to be realised

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.

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

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

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.

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, given the concerted investment and effort required to change procurement practices.

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 made up of 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

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/>

initiatives 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 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 in ways that can help develop greater citizen participation and 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 it 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

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.

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.

Southwark planning officers and Cllr Johnson Situ, Cabinet Member for Growth, Development and Planning, reported that previous work to support developers to assist local SMEs in becoming fit to compete and to coordinate local advertising of contract opportunities did not show significant impact for local businesses and these arrangements were ended on value for money grounds. Subsequently large developers are now only asked to make ‘reasonable endeavours’ 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. There are no penalties imposed for failure to realise this (because supply chains are considered largely out of the developer’s control) and monitoring is often light or non-existent. SLPN’s success and the other success stories showcased in this report of councils effectively leveraging local businesses economic activity suggests that all of these practices should be re-visited.

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. Firstly, 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 other large commissioners. Secondly, while there was an appetite from large organisations to use social enterprises, large organisations need information on relevant providers and assurance on viability, and this was difficult to access. 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

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>

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 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.

The Commission sought additional local perspectives on how the Council could support making local employment opportunities more accessible to Southwark residents. The Commission heard from GoodPeople about ways technology can be used to ensure employers are aware of and have an accessible pipeline of would-be employees. The Council has historically been successful at providing "jobs board" services like Southwark Works to showcase available jobs, but these focus mainly on showing what jobs are available. Place-based tech platforms exist and are being piloted with Southwark employers such as Guys and St Thomas' Charity, to bring together local people, understand their skills and interests, and provide a 'talent pipeline' of diverse and disadvantaged Southwark residents - to make it easy for commissioned service providers to recruit talented diverse local residents. These types of model are likely to be particularly useful at present given the major employment disruption caused by the Covid-19 pandemic.

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

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>

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 EU limits, as well as when registering on Council portals.

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

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

- How much procurement activity at values of below £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).

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 all opportunities below the relevant EU threshold.

Recommendation 3: Develop a portal with key procurement information and to raise awareness of relevant bidding 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 be readily added to and is accessed as a standard part of relevant procurement processes to raise awareness of relevant bidding opportunities.

The Commission struggled 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 targeted provider forums to aid SME bidding.

SMEs are clear that they need help to access Council opportunities, and that they would benefit from targeted 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 supported by an enhanced central procurement function. This approach should include: (i) requiring an explicit exemption for eligible tenders to waive the 15% social value requirement, (ii) the Council developing model social value clauses covering anticipated future contracts in all Council departments, and (iii) the Council developing simple ways of recognising the types of social contributions made by local micro, small and community businesses.

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. However, broader commitments to change actual practice are also needed (see also recommendation 8).

The Commission recommends that the Council clearly limit scenarios where the requirement for 15% of the contract award decision to be decided according to social value, and actively tracks 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 current £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.

Given the lack of information about the Council’s current levels of local spending, the Commission cannot reliably establish what a realistic target would be. Given the progress made in other local authorities the Council should be aiming to increase local spending in the region of 50-100% over the next five years.

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 Council.

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. Taken together with other challenges identified in this report that are exacerbated by the lack of central procurement capacity and oversight, there is a strong case 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 6).

Various recommendations require centralised support (e.g. creating centralised supplier lists and a supplier portal), and the Fairer Future 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 work with developers and other large partners in other innovative ways to make more of the external procurement opportunities that exist in Southwark accessible to local SMEs. The Commission recommends better monitoring of developer performance against commitments, and piloting (in the Old Kent Road area) the SLPN model, where the Council uses s106 agreements to get developers to fund local SME procurement support and increase purchasing from local SMEs in their supply chains.

The SLPN model has demonstrated significant success in commissioning SMEs. SLPN reported £288.6m in contract wins, £103.6m of which is has gone to SMEs, of which £72.1m are to Southwark SMEs. The example of SLPN shows that, with the right support, opportunities and brokerage, SMEs can deliver and gain a significant proportion of local market share. We would therefore urge the Council to investigate this approach and raise our expectations.

Whilst the Council has previously struggled to get developers to support local SMEs, SLPN's success (in Southwark and beyond) shows the potential gains of implementing such a model well. The Council should pilot an SLPN-equivalent model in one of its major regeneration sites – the Old Kent Road area was proposed during the Commission's sessions, given the significant development envisaged there over the coming years. This would enable more ambitious local commissioning targets to be set and realised.

The Commission could not establish current levels of spend, but if they are as low as expected the Council should target an increase of 100% or more over the next five years.

Officers and the lead member rightly acknowledged that the Council could also look to strengthen monitoring of developers' performance against agreed commitments and that it could look at the s106 and CIL Supplementary Planning Document to further strengthen wording relating to developer obligations as well.

The Commission also believes that the Council should actively identify other innovative ways to work with developers and major local businesses to establish programmes that build community wealth. The Commission heard about two promising initiatives which we recommend the Council explore:

- GoodPeople highlighted existing work with major employers in Southwark to make local “talent pools” (the supply-side) of would be employees easily accessible to major local employers, beyond existing “jobs board” (demand-side) model of programmes like Southwark Works.
- Supply Change is a platform that can be used to further increase their local procurement. This would be contingent on the Council also adopting an agreed platform with other anchor partner organisations in order to increase local commissioning and benefit the local economy. Capacity building organisations such as Community Southwark, the BIDs, SLPN, and Southwark’s Chamber of Commerce would need to be engaged to make this a successful partnership.

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 gave a frank account of current Council activity in this area and ways it could improve; and the many people and organisations who spoke to the Commission at great length about procurement practices beyond this borough. The Chair would also like to thank all of the Commission members for their committed pursuit of a better, more accessible and locally embedded approach to procurement within Southwark.



Cllr Peter Babudu

Chair, Education and Business Commission

Appendix 1: Recommendations Progress Checklist

Recommendation	Accepted?	Target completion date
Recommendation 1: Data		
Collect equalities data for procurement opportunities below the EU threshold		
Develop a set of equalities questions for businesses based on ownership and/or directors		
Consult on and introduce criteria for understanding whether under-represented groups are represented at senior leadership		
Collect and report on key procurement data going forward, including: <ul style="list-style-type: none"> - Volume of procurement activity at values below £100k - How often local tender requirement is waived - Proportion of procurement spend going towards local SMEs and community orgs 		
Recommendation 2: Accessibility – local tendering requirements		
Strengthen local tendering requirements by requiring for any opportunity below £100,000 (including opportunities below £25,000) save with an explicit exemption, and requiring at least one local tender for opportunities below the relevant EU threshold		
Recommendation 3: Accessibility - Portal		
Develop a portal with key procurement information and to raise awareness of relevant opportunities before they are concluded		
Recommendation 4: Accessibility – List of providers		
Develop a list of local providers that can be used to notify about relevant procurement opportunities		
Recommendation 5: Accessibility – Training and provider forums		
Identify across Council, opportunities that are suitable for SME delivery		
Develop training and case studies for SMEs based on their needs and the identified pipeline of relevant Council procurement opportunities		
Develop provider forums to aid ongoing local provider support and networking		
Recommendation 6: Social value – Embedding requirements		
Require a specific exemption for any tender that intends to waive the Council's 15% social value requirement		
Develop model social value clauses for likely contracts across the Council to simplify adherence to the social value requirements		
Agree a simple approach, in conjunction with local SMEs and community organisations, to recognise their social value below the current £100,000 threshold		

<i>Recommendation 7: Procurement practice – Community wealth</i>		
Make an explicit commitment to building community wealth across the borough through greater local procurement		
Create a partnership of other major locally-embedded community organisations to support the initiative		
Set ambitious local spending targets for the Council’s future procurement activity (e.g. 50-100% increase in local procurement by 2025)		
<i>Recommendation 8: Procurement practice – Sharing and strengthening procurement practice</i>		
Commit to sharing best procurement practice across departments		
Give central procurement an enhanced role in providing ongoing support and rigorous performance monitoring across departments to deliver needed process improvements and to maximise local procurement and social value in the Council’s contracts		
<i>Recommendation 9: Procurement – s106 and private business spending targets</i>		
Implement steps to improve the monitoring of agreed developer local economy obligations and explore strengthening the wording of s106 and CIL SPD in this area as well		
Pilot the SLPN model in one major regeneration site such as the Old Kent Road area, using s106 agreements to get developers to fund local procurement support and more credibly commit to increasing their local procurement spend		
Consider encouraging the use of a platform like Supply Change amongst local larger businesses to encourage more local procurement within Southwark from developers and other large businesses in the borough		
Consider working with an organisation like Good People to create a “talent pool” platform to complement existing “jobs board” employment initiatives like Southwark Works		
Set an ambitious target for increasing local procurement by businesses in Southwark (e.g. 100% increase by 2025)		

Appendix 2: List of interviewees and contributors

Commission members

Councillor Peter Babudu (Chair)
 Councillor William Hounbo (Vice-Chair)
 Councillor Karl Eastham
 Councillor Renata Hamvas
 Councillor Eleanor Kerlake
 Councillor Lorraine Lauder MBE
 Councillor Eliza Mann
 Lynette Murphy-O'Dwyer
 Martin Brecknell

Other Council contributors

Julie Timbrell, Scrutiny Project Manager
 Councillor Stephanie Cryan, Cabinet Member for Jobs, Business and Innovation
 Councillor Johnson Situ, Cabinet Member for Growth, Development and Planning
 Duncan Whitfield, Strategic Director of Finance and Governance
 Doreen Forester Brown, Director of Law and Democracy.
 Genette Laws, Director of Commissioning, Children and Adult Services
 Elaine McLester, Head of Procurement, Finance and Governance

Other contributors

Shade Abdul, Southwark Chamber of Commerce
 Les Johnson, Chair of Southwark Chamber of Commerce
 Michael Hill, Better Bankside BID
 Nic Durston, Southbank BID
 Petrona Wickham, South London Procurement Network
 Peter Lawton, Procurement Lead, Business and Resources, South Tyneside Council
 GoodPeople

Education & Business Scrutiny Commission

MUNICIPAL YEAR 2020-21

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