

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

1. Could you update Commission on how additional budget allocated to the FFPF rollout will be spent?

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

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

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

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

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

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

a) Community Hubs (2 lots)

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

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

- b) Air Quality Monitoring Stations (equipment) and ongoing monitoring
This had some SV commitments but despite an over EU Threshold value, it showed that this wasn't ideal. The contract required little time for the successful supplier to spend within the borough as they needed to initially provide and replacement of the equipment and then monitoring this on an on-going basis (most of which could be done remotely apart from routine checks of no more than a couple of hours twice a year). As such, obtaining social value commitments to benefit the borough from the operation of the contract was limited.
- c) Parking (See below)
- d) Highways - Maintenance and Projects (2 individual lots)

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

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

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

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

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

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

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

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

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

The Contracts Register is there:

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

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

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