

Cabinet

Tuesday 18 June 2019

4.00 pm

Ground Floor Meeting Room GO2C, 160 Tooley Street, London SE1
2QH

Appendices

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Date: 10 June 2019

Southwark Council's Fairer Future Procurement Framework

June 2019

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Purpose and Scope

Southwark Council's Fairer Future Procurement Framework (FFPF) sets out how the council will use its procurement to support the delivery of the Council Plan and Fairer Future Commitments and the processes and practices that are needed to do this. The council expects all of its procurement activity to be undertaken to the highest ethical, sustainable and responsible standards and within a robust and transparent governance framework.

This framework sets out:

- The values that inform the procurement of goods, works and services for high value contracts. For procurement below £100k officers will have regard to the resources available to smaller providers which may bid for lower value contracts.
- The responsibilities of staff when procuring high quality contracts for the residents of Southwark
- The minimum standards of conduct that external providers, key stakeholders, partners, businesses and organisations who seek to do business with the council should meet
- The wider ambitions and expectations that we wish our procurement to deliver and how this will influence our decision-making during procurements

The Financial Context

1. LBS has an annual turnover of £1.2bn
<https://www.southwark.gov.uk/council-and-democracy/key-documents/budget-book>
2. Southwark Council spends approximately £650m each year with external contractors for a variety of goods, works and services that allow it to meet its commitments to residents. This spending power means that the council can – and should - use its financial influence for ethical and sustainable impact and for outcomes that increase social value. This FFPF sets out the council's aim that good procurement can deliver not just high quality contracts and value for money but that it can also support the wider ambitions detailed in the Council Plan.
<http://www.southwark.gov.uk/council-and-democracy/fairer-future/council-plan>
3. These contracts, together with direct service delivery undertaken by council staff and the council's role in local planning and development, means that the entire sphere of influence of the council is significant for the borough, its residents, businesses and the local economy.

Background

4. The council has committed to minimum standards that must be met in the direct delivery of contracts and these are equally applicable to those organisations that we work with through external contracts, both directly or as part of the wider supply chain.
5. When procuring contract requirements the council should always clearly:
 - Identify service needs and options for the ways in which these may be best delivered
 - Procure the goods, services and works where contracting is the preferred option via organisations who will have and will act upon the principles that the council requires from those it works with
 - Manage and monitor contracts and the delivery of performance and commitments, once the contracts have been awarded

6. A first version of a Fairer Future Procurement Strategy, approved in 2016, was presented as an internal document that predominantly reflected the desire for greater feedback and engagement with the procurement process. This updated framework takes account of the new legislative background for procurement and the updated Council Plan and Fairer Future Commitments. It also aims to move away from an internal focus for engagement, firmly embed the council's principles into processes and ensure that suppliers and potential suppliers understand the values and aims that the council wants from its delivery partners.
7. The Fairer Future Procurement Framework must be read in conjunction with the council's Contract Standing Orders and any procurement guidelines. The Contract Standing Orders can be found at:
<http://moderngov.southwark.gov.uk/ieListMeetings.aspx?Committeeld=425>

Fairer Future Commitments

8. The council's Fairer Future Commitments and values support what we will look at within our procurements and the suppliers that we will work with to deliver our contracts. These commitments shape how the spend under all contracts should achieve maximum benefit to our local area, economy and our residents. The council's promise to deliver value for money across all our high quality contracts and to be open, honest and accountable underpins all procurement projects and runs throughout the Fairer Future Procurement Framework to deliver the council's Fairer Future Plan for 2018-2022.
9. Our Fairer Future Commitments are to ensure all residents and communities have:
 - A place to call home
 - A place to belong
 - A greener borough
 - A full employment borough
 - A healthier life
 - A great start in life
 - A safer community
 - A vibrant Southwark
10. The Values of the council are that we will:
 - Treat residents as if they were a valued member of our own family
 - Be open, honest and accountable
 - Spend money as if it were from our own pocket
 - Work for everyone to realise their own potential
 - Make Southwark a place to be proud of

Spending Money As If It Were From Our Own Pocket

11. When reviewing service delivery and procuring the council will address the following points:
 - To consider the need to balance price and quality, and to be explicit about the relative importance of both
 - To challenge procurement arrangements and seek opportunities to reduce price, improve quality and maximise efficiency
 - To complete a whole life analysis of options and assessment of risks
 - To continue joint procurement of contracts with other councils where such arrangements deliver value for money and improved outcomes

- To reduce the costs of procurement processes and the time it takes by taking a planned and co-ordinated approach that is efficient, effective and streamlined, avoiding duplication and waste
 - To ensure existing contracts, frameworks and internal and external procurement options or collaboration opportunities are utilised where appropriate to reduce procurement costs
 - To undertake a strategic assessment of delivery options before any procurement for all services that have a value of £10m or more
 - To deliver value for money across all our service delivery and contracts
 - To confirm how contracts' performance and commitments will be monitored and managed during their performance.
12. The council operates an 'in-house' preferred provider procurement process based on the high quality of contracts this provides for residents, the terms, conditions and wellbeing this affords our staff and the stability, direct control and flexibility this affords us in the management of our services. The council has a good record of bringing previously outsourced services in-house.
13. However, we currently have a mixed economy of goods and services provision and see no reason why this will not continue well into the future. Ready access to a diverse, competitive range of suppliers providing quality services, goods and works (including small firms, social enterprises, minority businesses, and voluntary and community sector groups) who offer expertise and knowledge is a good thing, particularly where local sourcing and local employment is encouraged and increased.
14. It is important that projects give enough attention and time to plan, in order to take up opportunities that are available. Critically assessing our business needs, from a "make or buy" decision, challenging the specified levels of service or identifying possible process efficiencies are important precursors in the procurement planning process, together with the planning of tender evaluation and contract management that help to ensure any possible contract delivers best value.
15. As part of the "make or buy" option, full consideration of in-house service delivery is the first part of the planning process and explicit consideration of whether the works, goods or services could be provided in-house must be included when developing the procurement strategy. This consideration must be clearly set out in Gateway 0 strategic assessments for service contracts worth over £10m and be addressed at Gateway 1 for all contracts over £100,000.
16. Where contracting with external suppliers is selected for providing services, goods or works, the procurement strategy (Gateway 1 report) must demonstrate how this will be successful in meeting defined service objectives and the commitments of the Council Plan, and how it will achieve long term value for money.

Open, Honest and Accountable

17. In accordance with our Fairer Future Commitments, the council will seek to exercise good governance in the procurement process. This will include:
- Ensuring all procurement practices are legal, ethical and transparent, conforming to procurement legislation and regulation and robust enough to meet the challenge of external scrutiny
 - Applying appropriate governance arrangements to meet the principles of openness and accountability, and to manage risk

- Having clear, unambiguous and sufficiently flexible operational arrangements that respond to service needs, reduce red tape and protect statutory and regulatory responsibilities of the council
 - Promoting the commitment of suppliers to the prevention and detection of fraud and corruption in their processes
 - Ensuring organisations that the council works with have or will deliver the values that it has committed to and setting out a clear process to monitor this
 - Environmental Commitments such as the reduction in carbon emissions and where appropriate, complying with elements such as the Ultra Low Emission Zone (ULEZ)
18. The council has an established gateway process as part of the governance process set out in Contract Standing Orders. These gateways support the strategic assessment, procurement strategy, contract award and contract variations for contracts. They are approved as set out in the council's Constitution and offer clear governance and best practice for procurement processes.
19. The use of the e-procurement system also supports transparency on the way in which the council will undertake its procurement processes, as well as recording and reporting on contract delivery and performance.

Southwark Economic Wellbeing Strategy

20. The council's Economic Wellbeing Strategy sets out our ambitions to support residents, local businesses and our local economy in tough economic times. Our Fairer Future Procurement Framework should closely align with our vision of being a borough that is open for business and to support and promote economic wellbeing. Our strategy is –
- Employment & Skills: A full employment borough with a job opportunity for every Southwark residents who wants to work
 - Business: A growth borough where business thrives and prospers
 - Town centres and high streets: Thriving town centres and high streets
 - Financial wellbeing: Helping people to grow their incomes and ensuring a fair day's for a fair days work

The full strategy can be found here:

<http://www.southwark.gov.uk/business/economic-wellbeing-strategy>

Equalities and Community Impact

21. The council must have due regard to equality issues and community impact under its Public Sector Equality Duty. The council's Approach to Equality policy sets out how equality and human rights considerations will be embedded into our policies on procurement and commissioning. All Gateway 0 strategic assessments and Gateway 1 reports setting out the procurement strategy, must show that all relevant equality issues and obligations are taken into account and planned throughout both the procurement process and in the delivery of those functions on behalf of the council.

Workforce Issues

22. The council expects our suppliers to have good employment practices. This is important because workers who are valued and fairly treated are more likely to deliver the high quality and value for money service that our residents need and expect. It is also part of

the council's broader commitment to promoting good work and fair pay for all workers, recognising the fundamental impact employment quality has on people's wellbeing and life chances.

23. Where the council renews contracts or outsources contracts to the private or voluntary sector the following workforce issues must be considered and applied on a case by case basis as allowed by EU procurement, local government and other relevant legislation and as provided by relevant council policy.
24. The elements to be covered in this are not intended to be complete but will include the following:
 - Payment of the London Living Wage as set by the Living Wage Foundation (see further information below)
 - Pension provision
 - The transfer and treatment of staff under TUPE
 - Ensuring all employees have a written statement of their pay and conditions
 - Terms and conditions including sick pay, holiday pay and provision of equipment
 - Trade Union Recognition (see further information below)
 - Modern Slavery (see further information below)
 - Gender Pay Gap (see further information below)
 - BAME Pay Gap (see further information below)
 - The requirement for an offer of guaranteed hours that reflect an employee's normal working patterns and with no harmful short or zero hour contracts that are detrimental to the employees affected
 - Adequate training and development for employees that equips them with the skills and expertise needed to deliver the service; including clear information on their right to request time off for training or study
25. For areas covered by legislative requirements, such as modern slavery and the gender pay gap, the council will expect suppliers and their supply chains to fully comply with their lawful obligations and provide any information as to their current status but will potentially ask for action plans around undertaking any changes to address issues where legislation does not directly apply.

Health & Safety and Wellbeing

26. Health and Safety minimum requirements, where set out in legislation are required to be followed by all contractors and those in their supply chain. Going above and beyond this is encouraged where it is best practice, especially in relation to ensuring quality welfare facilities that are fit for purpose.
27. Where pieces of legislation for particular industries or types of contract, such as the Construction Design and Management Regulation of 2015 are in place, these must also be followed by directly employed organisations and their supply chains.
28. The council has codes of practice relating to specific circumstances, including but not limited to, the use of scaffolding, working with asbestos, working from heights and working in occupied premises that will be included in contracts involving these for the contractor and their supply chain.
29. All Organisations are encouraged to support a healthy workforce by signing up to The London Healthy Workplace Charter, details of which can be found at: <https://www.london.gov.uk/what-we-do/health/london-healthy-workplace-award>

30. Information from the council for the application process and support can be found at:
<https://www.southwark.gov.uk/health-and-wellbeing/public-health/for-the-public/healthy-workplaces>
31. The Women's Safety Charter was developed by the council in response to the recognition of the serious nature of and need to address harassment in bars and nightclubs. Contractors who operate in these industries would be expected to sign up to the Charter. Full information and details of the code can be found at:
<https://www.southwark.gov.uk/community-safety/let-s-talk-about-women-s-safety>

Violence at Work Charter

32. The council is committed to ensuring that staff providing contracts on our behalf should receive protection from violence in the workplace and support if they are subjected to violence in the course of their work. The council is awaiting Cabinet approval of the 'End Violence at Work Charter' and the award of new contracts will then be dependent on a commitment by contractors to do the same.
33. In addition our expectation is that all contractors should have a clear policy on a zero-tolerance approach to all forms of discrimination, harassment and bullying at work.

London Living Wage

34. Southwark Council became an accredited London Living Wage employer in November 2012. There is a presumption that all contracts for the provision of services or works will include the payment of at least the current Living Wage (LW), as set annually by the Living Wage Foundation, to all relevant staff working directly on the contract in question. This means that pay should be at or above the London Living Wage for contracts performed on council premises or in the Greater London area and at or above the real UK Living Wage for contracts performed outside London.
35. In the planning of all contracts, the appropriateness and best value / cost implications of including the LW must be considered on a case-by-case basis, recorded in writing, and set out in any required Gateway 1 Report. Where LW is not appropriate it must not be included in the contract and detailed reasons for this should be set out in the Gateway 1 report.
36. Where LW is included, gateway reports and contract documents must set out how the requirement for LW will be evaluated and how the payment of LW and cost implications will be monitored.
37. Full details about the London Living Wage are available at:
<https://www.livingwage.org.uk/>

Prompt Payment

38. The council pays all its undisputed invoices in a prompt manner and expects in its standard terms and conditions of contract, that organisations and their supply chain also

pay their contracts promptly. Details of the prompt payment requirements will be set out in tender documents.

Consideration of Trade Union Recognition

39. We expect our suppliers to recognise and respect the rights of their employees to associate freely and to organise and bargain collectively in accordance with the local laws relevant to their employment.
40. We believe that employers who formally recognise trade unions are more likely to take a responsible approach to workforce consultation and planning. We therefore believe that public service contractors should recognise trade unions where there is an active membership and trade union representatives within the workforce. Organisations will be requested to commit to trade union recognition or a timetable to work towards recognition where this does not already exist.
41. We will work to ensure that early consultation with trade unions is undertaken before the possible outsourcing of any service currently delivered in-house.

Blacklisting

42. Blacklisting is where employers and recruiters discriminate against individuals based upon trade union membership or activity. This is prohibited by law. All relevant tenders shall include relevant questions relating to any prior blacklisting activity or self-cleansing activity related to this and shall exclude any organisation that cannot satisfy the council's commitment to only doing business with suppliers who meet minimum statutory and ethical standards, in line with best procurement practice. Contracts for public works will include provisions to provide for the termination of the contact if the provider is proved to engage in blacklisting activities during the course of that contract.

Gender pay gap

43. Organisations with 250+ employees are required to publish their gender pay gap. The council is committed to seeing the gender pay gap decrease and will therefore request all contractors with 50+ employees commit to publishing their gender pay gap. Contractors with 250+ employees will be required to publish their gap and the council will request this is accompanied by an annual plan that sets out their plans to reduce any gap.

Black Asian and Minority Ethnic (BAME) pay gap

44. The council is committed to seeing the BAME pay gap decrease and will therefore request all contractors with 50+ employees commit to publishing their BAME pay gap. Contractors with 250+ employees will be asked to publish their gap and the council will request this is accompanied by an annual plan that sets out their strategies to reduce any gap.

Good Work Standard

45. The council is committed as part of its Fairer Future Commitments (Theme 4 - A full employment borough) to introduce a Good Work Standard that confirms we will only work with organisations that have good employment practices. We are awaiting publication of a London-wide standard from the Greater London Authority (GLA) but it is understood that the first level is intended to capture areas of legislative compliance. If so, the council will expect all contracting organisations to meet the requirements of at least the first (Foundation) level of the standard.

Southwark Ethical Care Charter (SECC)

46. The Southwark Ethical Care Charter relates to the standards that the council expects from its care providers in relation to payment for travel and training etc. This reflects the particular challenges in relation to delivering social care to our residents and ensuring that quality standards and fair practice are in place where these are delivered by partner organisations. A copy of the Southwark Ethical Care Charter can be found at: <http://moderngov.southwark.gov.uk/documents/s52528/Appendix%201%20Southwark%20Ethical%20Care%20Charter.pdf>

Modern Slavery

47. We have a zero-tolerance approach to modern slavery and we are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains. Our full statement on Modern Slavery can be read here.
48. Councils have an important role to play in ensuring their contracts and supplies don't contribute to modern day slavery and exploitation. We expect the same high standards from all of our contractors, suppliers and other business partners, and as part of our contracting processes, we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children, and we expect that our suppliers will hold their own suppliers to the same high standards.
49. The council has a whistleblowing policy which enables and obliges our staff to immediately report a breach of our Modern Slavery policy. All organisations and those in their supply chains also have access to this and should use it if they have any concerns or issues that they wish to report.
50. The council is committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our operations and we require our suppliers to do the same. We believe that suppliers have a key role to play in combating these crimes and that all of the suppliers we work with must take all possible steps to ensure that human trafficking and modern slavery are not taking place in any of their supply chains or their own operations. We will not maintain relationships with suppliers where it is confirmed that they have been involved in human trafficking or modern slavery, and confirm this is a material consideration in selecting and evaluating our new and existing

supplier relationships. We have signed up to the Co-operative Party's Charter Against Modern Slavery:

<https://party.coop/local/councillors/modern-slavery-charter/#intro>

Social Value

51. The council seeks to get the 'most' value of its spend with external organisations through considering and seeking to improve the economic, social and environmental well-being benefitting the local area and its residents that is linked to the contractual spend. This has been termed 'social value'.
52. The council has an obligation under the Public Services (Social Value) Act 2012 to consider what social value could be obtained during a procurement process for all service contracts that are subject to the Public Contract Regulations 2015. The Act offers an important opportunity to achieve more from the council's spending on services. Southwark Council will go beyond the narrow focus of the legislation and consider what social value can be delivered during the development of all procurement strategies (Gateway 1 reports).
53. When considering the additional benefits and social value to be delivered, this must support the social, economic or environmental wellbeing of Southwark and its residents and specifically support the delivery of the council's Fairer Future Commitments.
54. Key areas of social value commitments include:
 - Apprenticeships and paid internships
 - Job creation and local economy
 - Local employment opportunities
 - Work placement opportunities
 - Payment of London Living Wage where appropriate
 - Environmental and sustainability considerations
 - Health and wellbeing considerations
55. In addition to the core quality and cost elements to deliver the tender itself, a clearly methodology for evaluating any social value elements during the procurement process and their directly link this to the Fairer Future Commitments should be included.
56. For all contracts over £100k in value, this should consider the inclusion of social value and where applicable, use this as part of the evaluation methodology for the tender award. Evaluation criteria should be assessed on a case-by-case basis and the weightings should therefore reflect the relative importance of the social value element to the subject matter of the contract and should be proportional to this. It is however advised that this element be allocated at least 15% of the available evaluation marks.
57. For all contracts over £1m in value, the expectation will be that where practical at least one apprenticeship will be provided per £1m of contract value. These aims and when they not possible should be noted in the Gateway 1 report but other social value options should still be considered.
58. All apprenticeships should be of high quality and in line with the aims set out in the council's Economic Wellbeing and Skills Strategies:

<http://www.southwark.gov.uk/business/economic-wellbeing-strategy>

<http://www.southwark.gov.uk/business/skills-strategy>

59. The achievement of social value commitments from proposed successful tenderers should be set out in the contract award recommendation (Gateway 2 report). These commitments should form part of the contract and key performance indicators and be monitored and reported on as part of best practice contract management, as well as in performance reports to departmental and corporate contract review boards as required.

Southwark Construction Charter

60. The council's capital programme is worth £1bn over the next ten years. It includes commitments to build schools, leisure centres and a huge number of new homes including the commitment to deliver 11,000 new council homes by 2043.
61. The council currently has a draft Southwark Construction Charter which contractors working on Southwark Council construction contracts will be expected to meet to ensure ethical employment practices on Southwark construction sites.

A Greener Borough

62. The council has declared a climate change emergency and is committed to working to reduce the negative impacts and externalities that the delivery of its services and contracts has on residents and Southwark's environment. These range from those set out in law, such as London's Ultra Low Emission Zone (ULEZ) and aiming for low or zero emission vehicles, to the council's commitments on carbon reduction and the use of single use plastics. Further targets in relation to this may be added following the Climate Change Summit in July 2019.
63. Procurement must be compatible with our commitment to supporting making a greener borough, including reducing air pollution and factors that support the intention to be a carbon neutral council by 2030. Work to remove single use plastics from our operational estate is part of the single use plastics strategy. Consideration should be given to using sustainable materials and methods wherever appropriate and note of new legislation and more environmentally friendly products and services should be made.
64. Gateway 1 reports should set out clearly what can be considered, potential costs and how any negative impacts can be reduced and how these will be evaluated during the procurement process.
65. With the specific aim to ensure safety for road users, suppliers are asked, where it is appropriate with the use of vehicles, to:
- Comply with the London Cycling Campaign's Safer Lorries, Safer Cycling Pledge, details of which area available at: <https://lcc.org.uk/pages/safer-lorries-pledge>
 - Meet the requirements of Fleet Operator's Recognition Scheme. More details of this scheme are available at: <https://www.fors-online.org.uk/cms/>

Fairtrade

66. The council wishes to encourage contractors, suppliers and service providers engaged to work for the council to show a commitment to Fairtrade. The council is committed to

Southwark achieving and maintaining “Fairtrade Borough” status by meeting the five goals necessary to become a designated Fairtrade Borough. Further information on Fairtrade can be found at: <http://www.fairtrade.org.uk>

Freedom of Information

67. It is important to note that information supplied to the council during the tender and evaluation process may be available to the public under the terms of the Freedom of Information Act 2000 (FOIA), the Environmental Information Regulations 2004 (EIR) and other legislation providing a statutory right of access to information. The council’s presumption is that information should be released unless it falls within the scope of an appropriate exemption. Whilst the council will take into account the position of the parties in question, it is ultimately the responsibility of the council to decide what information should or should not be released. This includes any information subsequently included in the contract.

Data Protection

68. All contracted organisations shall register with the Information Commissioner’s Office where they fulfil the criteria laid out under the terms of the Data Protection Act 2018. This does not imply that any data processing organisation is the data controller of the information defined within the contractual agreement. All organisations are required to name an individual responsible for compliance in relation to the Data Protection Act within that organisation. All organisations are to abide by the Data Protection Act 2018 and the General Data Protection Regulation (GDPR). Further information is available from the Information Commissioner’s Office:

<https://ico.org.uk/for-organisations/data-protection-act-2018/>

<https://ico.org.uk/for-organisations/guide-to-the-general-data-protection-regulationgdpr/>

69. Where personal information is to be shared with the contracted organisations this shall only be done so securely and incorporating (where appropriate) an information sharing agreement.

Staff Procurement and Contract Management Skills and Training

70. In order to deliver the FFPF, the council will continue to develop the skills of staff, including:

- promoting staff competencies in procurement, commissioning and contract management
- ensuring that all procurement activity is undertaken by informed managers supported by professional procurement staff, providing specialist support and advice
- utilising e-procurement facilities to deliver process and procurement savings
- providing high quality guidance, support, documentation and awareness sessions for service managers and their staff engaged in procurement processes
- supporting the achievement and then managing and monitoring the delivery of social value, where appropriate from the procurement of external contracts
- improving contract management by continuously improving and learning from experience of ‘relationship management’ and identifying tools, best practice and training as appropriate.

Contracts Register

71. The council's Contracts Register is published online for all live contracts over £5,000 in value in line with the Local Government Transparency Code 2015:

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

Legislative Framework

The applicable legislation for this framework includes but is not limited to:

- EU Directive on Public Procurement: Directive 2014/24/EU
- Public Contract Regulations (2015 as amended)
- Public Services (Social Values) Act 2012
- Modern Slavery 2015
- Equalities Act 2010
- Employment Relations Act 1999 (Blacklists) Regulations 2010

Weblinks

The links within this document are:

- The Council's Budget Book:

<https://www.southwark.gov.uk/council-and-democracy/key-documents/budget-book>

- Council Plan:

<http://www.southwark.gov.uk/council-and-democracy/fairer-future/council-plan>

- Contract Standing Orders:

<http://moderngov.southwark.gov.uk/ieListMeetings.aspx?CommitteId=425>

- The London Healthy Workplace Charter:

<https://www.london.gov.uk/what-we-do/health/london-healthy-workplace-award>

<https://www.southwark.gov.uk/health-and-wellbeing/public-health/for-the-public/healthy-workplaces>

- Women's Safety Code:

<https://www.southwark.gov.uk/community-safety/let-s-talk-about-women-s-safety>

- London Living Wage:

<https://www.livingwage.org.uk/>

- Southwark Ethical Care Charter:

<http://moderngov.southwark.gov.uk/documents/s52528/Appendix%201%20Southwark%20Ethical%20Care%20Charter.pdf>

- Co-operative Party's Charter Against Modern Slavery:

<https://party.coop/local/councillors/modern-slavery-charter/#intro>

- Economic Wellbeing and Skills Strategies:

<http://www.southwark.gov.uk/business/economic-wellbeing-strategy>

<http://www.southwark.gov.uk/business/skills-strategy>

- London Cycling Campaign's Safer Lorries, Safer Cycling Pledge:

<https://lcc.org.uk/pages/safer-lorries-pledge>

- Fleet Operator's Recognition Scheme:
<https://www.fors-online.org.uk/cms/>

- Fairtrade:
<http://www.fairtrade.org.uk>

- Information Commissioner's Office:
<https://ico.org.uk/for-organisations/data-protection-act-2018/>

<https://ico.org.uk/for-organisations/guide-to-the-general-data-protection-regulationgdpr/>

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



Construction charter

Southwark Council

Introduction

As a local authority, Southwark Council is responsible for the procurement of a multitude of construction projects. It is therefore appropriate that we, as a responsible client, commit to proactively engaging with the appropriate trade unions and with our works contractors, to achieve the highest standards in respect of:

- employment status,
- health & safety,
- quality of work,
- apprenticeship engagement and
- a commitment to continued professional development

Charter Aims

The following aims shall be encouraged and supported for all contractors and their supply chain engaged by the council. This Charter will be incorporated into all contracts for works entered into by the council.

1. We recognise that the highest level of compliance with current HMRC regulations must be achieved where public funds are utilised. Wherever possible all main contractor staff engaged on a works contract with the council should be directly employed on a PAYE basis under a contract of employment.
2. Health and safety of workers and site visitors on all of our construction projects is paramount. All contractors must rigorously implement and adhere to our standards for health and safety, as set out in the Southwark Safety Reference Manual (and any other requirements included in our works contracts) and higher levels where possible. All contractors must also provide quality welfare facilities fit for purpose in accordance with the Construction Design and Management Regulation of 2015.
3. It is accepted that the presence of trade union safety representatives can significantly improve safety in the workplace. Contractors and their supply chain are encouraged to work collaboratively with the appropriate trade unions to identify and implement all reasonable and practicable measures that improve and sustain site safety.
4. The council requires all projects to be completed to the quality standards specified in the relevant contract, so as to meet the aspirations of the residents of this Borough. In order to achieve this, it is important that all workers are competent and have the appropriate level of skill to carry out the work they are employed to do. To assist in the achievement of this goal the council's contractors and their supply chain will ensure they retain documented evidence that all workers are competent to carry out the work they have been employed to do and allow the council or our nominees to audit such documentation if required. Possession of the relevant industry skills/grade card such as JIB or CSCS will be considered acceptable evidence.
5. The council is mindful of the industry skills shortage and the need to address this through appropriate apprenticeships, including adult training in up skilling. The council's contractors and supply chain will, in consultation with the council and other interested parties, develop and implement a programme that addresses the skills shortage and provides training opportunities to local residents.

6. The council understands the right for all construction workers to be employed under and to be protected by the appropriate national industry collective agreement and relevant appropriate legislation. The council welcomes and encourages full compliance with all appropriate national agreements applicable to the construction industry.
7. All contractors and their supply chain will accept the right of any trade union that is a signatory to an appropriate national agreement, to appoint shop stewards, workplace health & safety representatives and Union Learning Representatives. All trade union accredited representatives will be granted appropriate time and facilities to carry out their responsibilities.
8. The council, our contractors and their supply chain are committed to a fair and transparent recruitment policy. All contractors and their supply chain will actively ensure that the engagement of staff and operatives is based on the individual's ability to meet the needs of the project and the specific tasks for which they are recruited to undertake.
9. The council, our contractors and their supply chain agree it is not acceptable for anyone to use or make reference to any form of blacklist.
10. The council welcomes the benefit trade unions bring to the workplace and the rights of workers to hear from trade union representatives. The council, our contractors and their supply chain will support this by allowing access for nominated trade union officer(s) from trade unions that are signatories to the relevant national agreements. Access shall mean access to welfare facilities during working times so as to allow them to consult with their members and potential members.
11. The council supports the 'Get Britain Building' campaign, which is aimed at supporting and sustaining the British construction industry. All relevant construction contracts will incorporate the council's Sustainable Buying Standard for Highways and Construction Materials, which requires structural steel and other relevant materials to be covered by BES 6001 Responsible Sourcing of Construction Product certification, or equivalent.
12. All construction or refurbishment contracts/projects in excess of 6 weeks in duration, at the request of the Council as appropriate, must be registered with the Considerate Constructor Scheme (CCS) or evidence how they meet all the criteria of the CCS, and all contractors working on these projects need to adhere to the rules of the scheme. Registration should be undertaken by the principal contractor, who should detail on the CCS documentation the name and contact details of the Southwark principal contact for each project. Further information on CCS can be found at: <http://www.considerateconstructorsscheme.org.uk>



RESIDENT INVOLVEMENT REVIEW

CO-DESIGN PANEL REPORT

3rd January 2019

Phil Morgan Limited

Resident Involvement Review Panel Report Final

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Appendix 1 – Attendance Table

Resident Involvement Review Panel Report

Executive Summary

This Panel report sets out a new way forward for resident involvement in Southwark. If adopted and implemented it will allow every tenant and homeowner a range of opportunities to be involved at a local community level, at an area level and at a borough-wide level, including different areas of interest and in different ways.

It will result in a fundamental change to the current structures for residents and staff alike and create the opportunity for involvement to result in improved services, informed policies and a different relationship between the council and empowered residents.

Recommendations

1. That the council adopt the following vision:
 - a. To create empowered communities and treat residents with respect, and as customers
2. That the council adopt the following values:
 - a. That the council should develop a range of ways for residents to be involved
 - b. That the council should be transparent, honest and show integrity when working with residents
 - c. That there should be accountability for all in positions of responsibility
 - d. That there should be mutual respect between the council and residents
 - e. That the council should empower residents and put people first
 - f. That involvement should reflect the diversity of the resident population and reach out to all residents
 - g. That the council should ensure value for money and money spent treated as if it were one's own
 - h. That the council should collaborate with residents to find positive solutions
 - i. That the council should communicate successfully with residents

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- j. That the impact of involvement should be measured and reported openly
3. Capturing impact would be supported by inclusion of a question on future surveys about “does your landlord listen to you and act on your views?”
 4. The council should adopt an approach of ensuring that all properties are covered by at least one face-to-face involvement event each year. This already happens where Tenants and Residents Associations (TRAs) exist but it should be expanded to estates and to street properties where TRAs don't exist. Where a TRA doesn't exist the council should organise an annual meeting as well as be prepared to engage with self-organised groups. This would ensure that all residents would be able to discuss their community and their services with the council each year whether a TRA exists in the estate or not. To support that approach the Panel agreed four principles for any meeting or group:
 - That all Tenants and Homeowners in the area/estate are invited to attend and take part
 - That notice of at least 14 days is given
 - That all attending meetings show good conduct to each other¹
 - That all attending meetings respect equality and diversity
 5. The council should make proposals for a “red button” approach whereby feedback received at these meetings is analysed alongside other sources of qualitative service feedback (such as official complaints) to identify systemic service issues and respond accordingly.
 6. That the model constitution for TRAs should be revisited to reduce jargon and the bureaucracy involved for TRA officers through a co-design process.
 7. That the council should continue to support TRAs being set up where this is wanted by residents.
 8. That the Code of Conduct for all resident meetings is reviewed.
 9. That the current Area Housing Forums be replaced by five new Housing Forums, mirroring the housing management areas, with two each in the larger areas and one in the smallest. These Forums would be open to all council tenants and homeowners in their respective area. They would need a clearly defined role, have a standard agenda and should include housing service performance and could also be a place for ‘red button’ for systemic issues identified by residents to be escalated. The agenda for the new Housing Forums should be resident driven with digital polls conducted of residents on topics for the meeting.

¹ This extends to all meetings

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10. That the council commits itself to engaging with tenants and homeowners on the following strategic areas:
 - a. Value for Money
 - b. Major Works Planning
 - c. Consultation approaches
 - d. Communication
 - e. Performance (including satisfaction)
 - f. Resident scrutiny
 - g. Creating new and renewal of housing policies
 - h. Regulatory compliance

11. That the council sets up a menu of involvement to cover the above strategic areas including:
 - a. Co-design processes
 - b. Fixed Groups
 - c. Task and Finish Groups² (which might cover the consultation process and Major Works planning)
 - d. Conferences
 - e. Digital involvement (see below)
 - f. Resident inspectors
 - g. Reading Groups
 - h. Surveys
 - i. Discussion Groups

12. That the above be considered as a 'ring of involvement' supporting and informing strategic discussions between tenants, and homeowners, with the council.

13. That the council sets out reasonable expectations for any strategic group for tenants or leaseholders. These should include:
 - a. That it should be accountable
 - b. It should be clear who was a member of the body
 - c. That it should represent homeowner/tenant views and concerns
 - d. It would receive input from homeowners/tenants
 - e. That there should be a code of conduct
 - f. Members should seek out views of peers
 - g. To ensure robust governance there should be an annual review
 - h. That time limits be set on membership

14. That there is no more than one strategic body for homeowners.

15. That the structure for strategic engagement includes both coverage of cross tenure strategic issues and there be coverage of single tenure issues.

² A Task and Finish Group is a group set up as a sub group of larger project group that specifically looks at one item that needs to be delivered... the 'Task'. Once that area of work has been completed, the group disbands... the 'Finish'... and the work is then assimilated back into the larger project group.

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16. That the council consults on options for strategic bodies.
17. That the council consults on how tenants and homeowners are selected to any strategic bodies.
18. That there should be a Communities Fund. This should include the following:
 - a. It should be available to communities
 - b. There should be clear objectives and outcomes for the fund and accountability for delivering those outcomes
 - c. TRAs, TMOs, Resident Groups and community organisations (with clear support from the community) would be eligible to bid for funds
 - d. The council should support applications from looser groups without a TRA or a bank account
 - e. Set objectives for the fund including consideration of:
 - Estate cohesion and inclusion
 - Community development
 - Support for TRAs
 - Digital training
 - Welfare Reform, including signposting
 - Quality of life
 - Impact
 - f. There should be an open and thorough process for communicating about this fund stating the purpose, how to apply, what requirements there were and the importance of impact from what the fund supported
 - g. There should be a group consisting of councillors, officers and residents that would decide applications based on a transparent process as well as the precise criteria to be used. This group would review impact annually and apply learning for future fund objectives and criteria
19. That there should be a borough-wide fund or funds. This should include the following:
 - a. There should be clear objectives and outcomes for the fund(s)
 - b. That those objectives include advice and support for tenants and homeowners including working groups
 - c. That there is accountability for all receiving funding for delivery of objectives and outcomes
 - d. That there are appropriate and applied mechanisms for dealing with conflicts of interest
 - e. That there is efficient decision making with other parallel funding processes
 - f. That strategic body or bodies working with the council sets the objectives, decides upon applications, review impact annually and apply learning for future fund objectives and criteria
20. The Panel agreed three pilot projects for digital involvement covering:
 - a. Major works

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- b. Communication
- c. Sounding Board

21. The council should draw up costs and plans, including co-production, to implement these.
22. The Panel acknowledged that the council also houses residents with other specific tenure types, such as: Temporary Accommodation, Sheltered and Extra Care Housing, Supported Hostels and Travellers, who should be part of future involvement approaches.
23. That the council draws up an action plan to implement these recommendations and work with tenants and leaseholders to ensure they are introduced.

Background

24. The council commissioned Kaizen/Social Engine in 2017 to carry out a review of the Resident Engagement structure. That review³ had input from over 1,000 residents and set out a number of challenges for both the council and the current resident engagement structure. That structure has been in place for over 30 years and increasingly strained in its ability to represent all tenants and homeowners, and find ways in which they can be engaged. There was a lack of awareness of the current structures and funds available and insufficient attention to impact of those structures and funds. There was also a lack of a council-wide vision about the purpose of resident engagement.
25. The council, in line with its manifesto commitment to “work with tenants, residents and homeowner groups to find new ways to engage so that more people can have their say”, agreed to set up a co-design panel of residents to review the housing engagement and involvement structure.

Recruitment of Panel

26. The council agreed that there be an independent Chair for the Panel. Following a procurement exercise I was appointed as Chair.
27. The Panel was composed of
 - 1 Representative from Homeowners Council
 - 1 Representative from the MySouthwark Homeowners Board⁴
 - 1 (Tenant) representative from the Youth Council

³<http://modern.gov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=6124&Ver=4>

⁴ Initially the representative had come from the MySouthwark Homeowners Agency. The Homeowners Council expressed concerns about this arrangement. The representative for later meetings was a member of the MySouthwark Homeowners Board.

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- 7 Residents with little or no previous experience of formally participating in the involvement structure (5 Tenants and 2 Homeowners)
 - 1 Officer from the Communities Division
 - 1 Officer from Resident Services
 - 1 Officer from Organisational Transformation
28. In addition the newly appointed Head of Tenant and Home Owner Involvement Team Leader, responsible for implementing the Review recommendations, also attended and contributed to all meetings.
29. The Tenants Council were invited to send a representative but decided to boycott the work of the Panel. Attendance is recorded at Annex 1.
30. For the seven resident places there was a recruitment exercise involving all TRAs and Area Housing Forums and over 5,000 tenants and homeowners. Over 90 applications were received and I reviewed all applications for their interest, availability and representativeness in terms of tenure, age, gender, ethnicity and where they lived in the Borough. Those not selected were invited to join a Sounding Board to review and comment on the Panels discussions and draft recommendations.
31. There was a resident majority on the Panel.

Approach

32. At its first meeting the Panel considered the background to the Review and the Panels Objectives. Additions are shown in italics. These were agreed as followed:
- Panel meets to decide its order of business and methods of working (including review of Kaizen report)
 - Panel discusses and develops a vision of how the involvement structure should look and work
 - Panel considers engaging with communities including the role of TRAs and Area Housing Forums
 - Panel considers strategic engagement with tenants and Home Owners and the role of Tenant Council, MySouthwark Board and Homeowner Council
 - Panel considers use and management of Tenant and Homeowner funds
 - Panel considers digital involvement⁵

⁵ This was originally set out by the council as *Panel considers management of TRA halls*. Following a meeting with the Tenants Council Cllr Cryan agreed that this not be considered by the Panel. Given TRA halls were not part of the Kaizen Review this makes sense and it is likely that the Panel would have recommended a more thorough audit and review of the current arrangements for TRA halls rather than propose a way forward.

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- Panel reviews Chair's draft report and produces final report and recommendations
33. The Panel also agreed the Chair's role, a Code of Conduct and its approach going forward. For all meetings there were papers with links to reports, other landlords' websites and publications, combined with a Chair's briefing providing an overview of the meeting's discussions.

Transparency

34. All papers for, and minutes of, the Panel's work have been [published on-line](#). Views of residents, stakeholders and officers have been shared with the Panel.

Evidence

35. To support the Panel's work there have been a series of briefings, case studies, links and summaries for each meeting. The Case Studies and links are a valuable resource going forward for engaged residents, staff and councillors.

Panel Review

36. A review of the work of the Panel will be undertaken by Peter Walters on behalf of Housing Quality Network (HNQ). This will seek views of those involved in the process about how it went and lessons to be learned for the future. The tightness of the timetable was an issue, was loosened, and will feature in my feedback.

Meetings

37. I am grateful to the following for giving up their time to meet with me and share, openly, their views about the background, current situation and way forward:

- Southwark TMO Committee
- Ledbury TRA officers
- Ina Negoita
- Liz Errington
- Barbara Walsh
- Hilary Dobson
- Fiona Buist
- Martin Kovats
- Eva Gomez
- Stephen Douglas
- Michael Scorer
- John McCormack
- Mark Compton-James
- Cllr Stephanie Cryan

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- Cllr Leo Pollak
- The Homeowners Council for inviting me to their conference as an observer and to discuss the work of the Panel at their meeting.

38. I welcomed the discussion with the Southwark Tenant Management Organisations (TMOs) Committee. There are 17 TMOs in Southwark and they represent an important level of engagement of residents. Whilst this report does not cover TMOs directly I would continue to emphasise the importance of the TMOs and their residents in any involvement opportunities going forward.

39. I would also like to thank all members of the Panel for their time and contributions.

Strategic Vision

40. The Panel received a presentation on the council's Fairer Future Promises by Michael Scorer, Strategic Director for Housing and Modernisation. It also considered criticism by Kaizen of a lack of overall vision for resident engagement and the potential for involvement shown by the 54% of residents interested in being involved in the Kaizen Report. The Panel considered two reports by Amicus Horizon and Family Mosaic into resident involvement, five case studies and feedback from the Tenant and Homeowner Involvement Team.

41. Finally it considered vision and values from a range of (anonymised and mostly but not exclusively housing organisations).

42. The Panel then set out a vision, combining its interest in communities and services, backed up by a series of values.

Vision

43. To create empowered communities and treat residents with respect, and as customers.

44. Values

- a. That the council should develop a range of ways for residents to be involved
- b. That the council should be transparent, honest and show integrity when working with residents
- c. That there should be accountability for all in positions of responsibility
- d. That there should be mutual respect between the council and residents

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- e. That the council should empower residents and put people first
 - f. That involvement should reflect the diversity of the resident population and reach out to all residents
 - g. That the council should ensure value for money and money spent treated as if it one's own
 - h. That the council should collaborate with residents to find positive solutions
 - i. That the council should communicate successfully with residents
 - j. That the impact of involvement should be measured and reported openly
45. The importance of communication was reinforced for me by my attendance at the Homeowners Council Conference. The value around impact was reinforced through the discussion I had with the Southwark TMOs about power and involvement making a difference, and further by feedback from the Sounding Board. The value around diversity was reinforced by all my contacts in Southwark.
46. Feedback had been sought from the Sounding Board on vision and values and the Panel considered this. As the feedback was consistent with the vision and values as set out, the Panel made no further changes.

Communities and TRAs

47. The Panel was grateful to representatives from the Ledbury TRA for attending a meeting and sharing their experiences of being involved. The Panel acknowledged the substantial work and achievements of the TRA and invited them to stay for the rest of the discussion.
48. The Panel thought that TRAs are very valuable and important and should continue to be supported. This should include supporting TRAs being set up where this is wanted by residents. TRAs should welcome both tenants and homeowners equally, and be prepared to welcome street property residents into their membership.
49. Whilst TRAs are valued the council should adopt an approach of ensuring that all properties are covered by at least one face-to-face involvement event each year. This already happens where TRAs exist but it should be expanded to estates where TRAs don't exist and to street properties. Where a TRA doesn't exist the council should organise an annual estate based meeting. This would ensure that all residents would be able to discuss their community and their services with the council each year whether a TRA exists in the estate or not. The meeting should work to a set agenda and include feedback.

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50. To support that approach the Panel agreed four principles for any meeting:
- That all Tenants and Homeowners in the area are invited to attend and take part
 - That notice of at least 14 days is given
 - That all attending meetings show good conduct to each other
 - That all attending meetings respect equality and diversity
51. The Panel further considered the issue of behaviour, agreed that the principle of good behaviour should extend to all meetings and the Code of Conduct be reviewed to ensure it was robust in terms of setting expectations and ensuring these are enforced.
52. The Panel discussed and agreed a “red button” approach whereby feedback received at these meetings is analysed alongside other sources of service qualitative feedback (such as official complaints) to identify systemic service issues and respond accordingly.
53. The Panel also agreed that the model constitution for TRAs should be revisited to reduce jargon and the bureaucracy involved for officers. Following my discussion with the TMOs I propose that this should be through a co-design process with TRAs.
54. The Panel agreed that support and recognition could be given to self organised or single-issue groups set up in communities where there were no TRAs or interest in setting one up.
55. The Panel acknowledged that the council also houses residents with other specific tenure types, such as: Temporary Accommodation, Sheltered and Extra Care Housing, Supported Hostels and Travellers, who should be part of future involvement approaches.

Area Housing Forums

56. The Panel then considered the future of Area Housing Forums. Given that these are based around areas for housing management that no longer exist it was hard to see the rationale for the Forums continuing in their current form (and there should have been a discussion when the housing management areas were changed). The Panel was also concerned that the sheer scale of meetings people needed to attend to participate – 10 TRA meetings and 10 Area Housing Forums each year (and more if involved in one of the councils) was both off-putting and unsustainable. The Panel did think that an ‘in-between’ structure would be useful but was sceptical about whether merging with Community Councils, as proposed by Kaizen, would give enough emphasis to housing matters. However the ‘open to all’ approach of Community Councils was welcomed.

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57. The Panel thought there should be that there should be five new Housing Forums, mirroring the housing management areas, with two each in the bigger areas and one in the smallest. These Forums would be open to all council tenants and homeowners in their respective area. They would need a clearly defined role, have a standard agenda and should include housing service performance scrutiny function. They could also be a place for 'red button' for systemic issues identified by residents to be escalated.
58. The Panel considered further how the five new Housing Forums might work. They supported the idea that the agenda should be resident driven including polls conducted of residents on topics for the meeting. There is an opportunity to create an active on-line community with a dedicated and interactive website. The Panel also supported the opportunity for networking. A possible draft agenda might include:
- Key Performance Indicators
 - Ad hoc polls for top two topics to be discussed
 - Red Button issues
 - Complaints summary
 - You Said We Did feedback from previous meeting
 - Report back from strategic body or bodies
 - Networking opportunity
 - 'Sandpit' session before the meeting to raise individual issues
59. The Panel noted that advocacy services might be needed to support residents who do not have English as a first language.
60. The Panel noted that if Local Housing Networks are held quarterly there would be 20 meetings per year compared to the current 96 Area Housing Forums each year. This releases a considerable level of resource to support the new involvement opportunities

Borough-wide Engagement

61. The Panel noted the current arrangements for borough-wide and strategic engagement, the criticisms of the Kaizen review of those arrangements and the outstanding need for regulatory compliance. The Panel then considered the following topics for engagement:
- The need to cover value for money
 - The importance of major works planning to leaseholders, where project groups could be set up with local residents where the council would welcome earlier engagement.
 - The need for robust consultation approaches
 - The currently low level of satisfaction with housing services, including in comparison with similar landlords and the importance of service standards

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- The frustration shown at the Homeowners Conference about communication
- The need to ensure regulatory compliance and resident scrutiny
- The need to engage residents with producing effective and easily understood policies.

62. The Panel discussed the option of all of this being considered by one or two strategic groups alone. I raised the idea of a “Ring of Involvement” with a range of mechanisms for involvement supporting and informing a strategic structure. The idea that one or two strategic bodies could populate all these mechanisms was neither practical nor desirable.

63. The Panel considered a menu of involvement⁶ including:

- Co-design processes
- Fixed Groups
- Task and Finish groups⁷ (which might cover the consultation process and Major Works planning)
- Conferences
- Digital involvement including use of MySouthwark Account, emails and social media
- Resident inspectors
- Reading Groups
- Surveys

Strategic Structure

64. The Panel then considered how a strategic structure might work. This proved the one area where the Panel found it difficult to reach a consensus. The Panel did agree two principles – that there be coverage of cross tenure strategic issues and there be coverage of single tenure issues. The Panel considered three options in line with these principles:

- A cross-tenure strategic body with coverage of single tenure issues through either a single group or groups
- Two single tenure groups who would meet jointly with the council of cross tenure strategic issues
- A cross-tenure strategic body with a specific homeowner group

65. The Panel also acknowledged the following:

⁶ Proposed Value: *That the council should develop a range of ways for residents to be involved.*

⁷ A Task and Finish group is a group set up as a sub group of larger project group that specifically looks at one item that needs to be delivered... the 'Task'. Once that area of work has been completed, the group disbands... the 'Finish'... and the work is then assimilated back into the larger project group.

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- The emphasis that should be placed on the wider ring of involvement, with more opportunities for involvement, experiences and voice
- That involvement, in line with the agreed value “That the impact of involvement should be measured and reported openly”, should make a difference to the quality of services received and satisfaction of residents
- That residents were interested in volunteering
- The difficulty in translating that interest into active participation
- The benefits of Task and Finish Groups
- The need for involvement to drive cultural changes within the council
- That any strategic body not be seen as ‘hierarchical’.
- That any approach be reviewed regularly

Leaseholders

66. The MySouthwark Homeowners Agency was created to provide a focus on improving services to Homeowners following some particularly poor satisfaction results. The MySouthwark Homeowners Board was created to provide homeowners input into the work of the Agency. The MySouthwark Homeowners Board is a manifesto commitment from the 2014 local elections.

67. At that time the Homeowners Council was not well placed to play the role envisaged and the Board was created. The subsequent uplift in the governance in the Homeowners Council means that if the Agency was being set up today then it is debatable that the Board would be created. Thus we have a situation which is untenable to all involved who all agree that this needs resolving.

68. The Panel heard how the Homeowners Council was constituted of volunteers, had produced a strategy and held open meetings. There had been an improvement in how it operated and this was supported by the council. There was an acknowledgement that the current structure had too many steps to gain election to the Homeowners Council that they were seeking to address.

69. The Panel felt that there should only be one strategic body for Homeowners, but within the wider involvement approach proposed and set out expectations for how it should operate:

- That it should be accountable
- It should be clear who was a member of the body
- That it should represent homeowner views and concerns
- It would receive input from homeowners
- That there should be a code of conduct
- Members should seek out views of peers
- To ensure robust governance there should be an annual review

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70. The Panel was aware of the role of LAS2000, a group of homeowners independent of the council and welcomed that role continuing.

Tenants

71. Despite there being input from the Tenants Council, the Panel felt that the principles set out for a strategic leaseholder body should also apply to any strategic tenant body, with the inclusion of time limits.

Selection of members of Strategic Body or Bodies

72. During its initial discussions on the expectations for the Strategic Body or Bodies the Panel stated this should include elections. It also discussed time limits for membership, which was common in other voluntary groups and would ensure that new people had the opportunity to be involved.

73. There was later discussion around the merits of election and whether this might cover skills and diversity. The Panel also discussed how the strategic body/bodies were populated with tenants and homeowners. This included:

- Concerns that elections would create an us and them approach
- Concerns about how an election process would ensure that the expectations the Panel had set out for any strategic body would be met
- That there should be a 'gatekeeper' role helping ensure that interested residents were placed in areas of interest and in ways they wished to be involved
- That a selection process can feel like an interview and be off-putting
- That an election process can also be off-putting
- That there may be a mix of elections and selection
- That the current involvement structures don't always provide feedback at a local level
- That any resident scrutiny role would be best recruited through agreeing terms of reference with residents and then selecting against that role through independent recruitment
- Concerns that appointment would mean responsibility being surrendered to council officers and holding meetings behind closed doors
- Support for direct elections with an element of skill required

74. The Panel did not reach a consensus on this and agreed that the council consults on how tenants and homeowners are chosen for any strategic bodies.

Tenant and Leaseholder Funds

75. The council allocates a portion of the rent collected from tenants (£13.78/year) and homeowners service charges (£10/year) to pay for

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some of the current involvement structure. This provides income for the Tenants Fund (£620,000 budget) and the Homeowners Fund (£190,000 budget including £40,000 from reserves). The Tenant Fund and the Homeowner Fund are overseen by the Tenant Fund Management Committee and Homeowner Fund Management Committee respectively, which make recommendations to Cabinet Member for Housing about how the funds should be spent. There is also the Tenants & Residents Social Improvements Grants (TRSIG) with a £244,000 budget in 2018/19, which is administered through a Grants Panel of six people elected by Area Housing Forums⁸.

76. The Homeowners Fund contributes 27% of the TRAs grants spent each year the other 73% comes from the Tenants Fund.
77. This is not a levy and the Funds are part of the council's Housing Revenue Account. The council chooses to allow the two councils and the TRISG grants panel to make recommendations through an annual report agreed by the Cabinet Member for Housing. The Kaizen Review is critical of the current arrangements for placing too much emphasis on outputs, internal controls and financial management rather than delivering outcomes and opportunities that benefit local communities. This criticism was supported by the weak outcomes for major recipients of funding including SGTO and the training posts⁹.
78. The Panel identified two separate approaches for future funding. Firstly there was a need for a community/TRA fund focused at a community level. Secondly there was a need for a borough-wide fund for strategic issues.
79. For both funds the Panel thought any approach should operate efficiently with other funds, have a clear focus on outcomes, applicants should be accountable for delivery and manage conflicts of interest appropriately.
80. For the community/TRA fund the Panel identified the following objectives (which may not be exhaustive) for consideration:
- Estate cohesion and inclusion
 - Quality of life
 - Community development
 - TRA support
 - Support for digital training (whilst noting the council's own support for digital training through libraries)
 - Welfare reform, including signposting
 - Impact

⁸ This would have to change if the proposal to replace with five Area Housing Forums was adopted

⁹ Please note this is not necessarily a criticism of performance just that that performance is not clearly captured

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81. On welfare reform the Panel received a received a paper from David Eyles (Homeowners Council & Rotherhithe Area Housing Forum) on residents with disabilities. It covered cuts in Government funding to the council, benefit changes and the profound impact on residents affected. The paper pointed out the knock-on effect on TRAs and community groups and argued for information and support for those impacted by changes. The Smith Institute has recently published Safe as Houses 2, detailing the increase in rent arrears for Southwark residents on Universal Credit. The Panel noted the importance of signposting in any training or guidance shared with TRAs and community groups and other sources of support.
82. The Panel identified the following as eligible to apply for funding:
- TRAs
 - TMOs
 - Resident groups
 - Community organisations (with the support of resident communities)
83. The council should support applications from looser groups without a TRA or a bank account through the Tenant and Homeowner Involvement Team. Groups receiving funding should be inclusive of tenure and wider diversity.
84. The Panel supported an open and thorough process for communicating this fund stating the purpose, how to apply, what the requirements were and the importance of impact from what the fund supported.
85. The Panel supported setting up a group consisting of councillors, officers and residents that would decide applications based on a transparent process as well as the precise criteria to be used. This group would review impact annually and apply learning for future fund objectives and criteria. The process should be simple to apply for, administer and decide upon.
86. Existing funding that could cover this includes:
- TRSIG £184,000
 - TRA grants £228,000
 - Small grants scheme for community events £30,000
87. For the borough-wide Fund the Panel identified the importance of setting clear objectives and outcomes for the fund. The Panel supported a strong level of advice and support for both tenants and homeowners, delivered separately. Other objectives discussed included holding resident conferences.

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88. The Panel supported accountability for all receiving funding for delivery of objectives and outcomes. It also supported that there are appropriate and applied mechanisms for dealing with conflicts of interest.
89. The Panel agreed there should be efficient decision making with other parallel funding processes and compliance with the council's constitution.
90. That Panel agreed that this be included in the role(s) of any strategic body or bodies working with the council and sets the objectives, decides upon applications, review impact annually and apply learning for future fund objectives and criteria.

Digital Involvement

91. The Panel considered its own experiences, including on-line chat room and forums, and heard from Mark Compton-James, Head of IT and Digital Services, about the council's approach. His experience of Forums was that they were expensive to run in terms of time, needed policing and a different set of skills to current staff. However he reassured the Panel that the technology was the easy bit and emphasised the importance of co-designing platforms with residents.
92. The Panel identified three approaches for digital involvement:
- Major works, which would be locally based and a Panel priority for engagement
 - Communication, which would be thematic and a Panel priority for engagement and
 - Setting up a sounding board through emails which could widen considerably the number of involvement residents

Sounding Board

93. The vision and values were shared with the Sounding Board¹⁰, who supported them. There was one point of challenge considered by the Panel on whether the value of working in collaboration with residents should be extended to cover other agencies, which the Panel decided not to accept.
94. Parts of the Panel's recommendations were shared with the Sounding Board¹¹, who broadly supported them. There were three points of challenge concerning support for TRAs to be set up, (poor) behaviour shown at meetings and the failure to listen to resident views, all of which the Panel considered and made additions to this report.

¹⁰ Only a few responses were received.

¹¹ Only a few responses were received.

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Appendix 1 - Attendance Table

		1	2	3	4	5	6	7	8
Xolani Annakie	T	Yes	No	Yes	Yes	Apol	No	No	No
Adebayo Daniels	T	Yes	Yes	Yes	Yes	Yes	Yes	No	No
Hayley Zoil	T	Yes	Yes	Yes	Apol	Yes	Yes	Apol	Yes
Frank Gyan	T	No	No	Yes	Yes	No	No	No	No
Omalara Daniels	T	Apol ¹²	Yes	Yes	Apol	Apol	No	Yes	Yes
Mark Morris	HO	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Teresa Fritz	HO	Apol	Yes	Yes	Apol	Yes	Yes	Yes	Yes
Ina Negoita	HOC	Yes	Yes	Sub ¹³	Sub ¹⁴	Yes	Yes	Yes ¹⁵	Yes
Hilary Dobson ¹⁶	MYSHOB	Sub	Apol	Apol	Apol	Yes	Yes	Yes	Apol
Zahra ¹⁷ Gaed	YC	No	No	No	No	No	No	Yes	Apol
Eva Gomez	LBS	Yes	Sub ¹⁸	Yes	Yes	Yes	Yes	Yes	Sub ¹⁹
Emily Nice	LBS	Yes	Sub ²⁰	No	No	No	Sub ²¹	Yes	No
Sharron Smith	LBS	Sub ²²	No	Yes	Yes	Sub ²³	Yes	Yes	Yes
Phil Morgan	Chair	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

John McCormack, Tenant and Home Owner Involvement Team Leader, was appointed at the start of the Panel's work. As he would be responsible for implementing the recommendations of the Panel he attended all meetings as Secretary and contributed to all meetings.

Michael Scorer, Strategic Director of Housing and Modernisation attended meeting 2.

Members of Ledbury TRA attended meeting 3.

Mark Compton-James, Head of IT and Digital Services attended meeting 6.

Cllr Stephanie Cryan, Cabinet Member for Housing Management and Modernisation, also attended and contributed to the final meeting of the Panel.

¹² Accident on way to meeting

¹³ Liz Errington

¹⁴ Liz Errington

¹⁵ Attended with Liz Errington

¹⁶ Initially MySouthwark Homeowners Board asked Fiona Buist from the MySouthwark Homeowners Agency to attend, which she did for the first meeting. Then the Board agreed that Hilary Dobson would attend.

¹⁷ Delay in being nominated until Meeting 7

¹⁸ John McCormack

¹⁹ Stephen Douglass

²⁰ Kamran Khan

²¹ Rod Spence

²² Natasha Brown

²³ Levi Burke

APPENDIX 2

Response to Resident Involvement Review Co-Design Panel Report

On 7th February 2017 Tenant Council was invited to speak at the Housing and Community Safety Sub-committee on the subject of Resident Involvement. At the time it was viewed as a welcome, and rare opportunity to make councillors aware of the decline in support and interest of officers in genuinely engaging with residents over matters of housing management.

It is true to say that Resident Involvement, and Community Engagement before, has never been a straight road, and it is very clear the emphasis and effort employed in engaging with tenants and leaseholders is very much driven by the importance placed on it by who leads the housing department and the council itself. Regrettably, one Director who placed little emphasis on consultation and engagement has now been replaced by another who places even less it seems.

The representations made to the Scrutiny panel should have been old news to them. Every councillor on that panel was elected from a ward covered by an Area Housing Forum. All Councillors should have already been aware of the misfiring consultation structure from their attendance at these meetings, but almost on block they have disengaged from the involvement in the consultation structure. This maybe that they see these Forums, castrated as they have been, as having no value in attending, failing to understand that their very presence there makes the meetings more relevant. Every councillor has an open invitation to Tenant Council, and whilst there are one or two councillors that do make an effort to attend with some regularity, it is only one or two, and the overwhelming majority do not.

It was made clear at the meeting of 7th February however, the many barriers that were causing the current system of consultation to fall short of the level and quality of engagement that we would hope for and expect. Only a few short years ago the Director, Head of Housing and the Member for Housing would be expected at every single meeting. They would hear first hand our problems and concerns and they would answer to them. At the time of the meeting it was pointed out that the Director of Housing had not been present for over 2 years and the Cabinet Member for Housing had attended once. Their lack of interest in us, correlates perfectly with the officers' lack of performance in servicing the consultation structure. It was also pointed out that a six weekly cycle of meetings between the Cabinet Member for Housing and the Chair and Vice-Chair of Tenant Council, agree to try to address the increasing concerns with the serving and content of Tenant Council and the resulting effects on consultation, had never materialised.

The idea of a working party of officers, councillors and resident be set up to look into the problems was proposed. We envisaged that we, as 'stakeholders' with a good understanding of the consultation structure, how it should work when working well, and how it was working then, when it wasn't working well, would be a key part of this working party. The prime purpose of having a consultation structure after all is to utilise it for consultation. This was our misunderstanding.

At considerable expense to the Housing Revenue Account, an external organisation was charged with exploring independently and in depth how the council engages with tenants and homeowners as a housing provider and identify areas for improvement. The budget it was set for this work was £46000. The organisation to conduct this research was selected by the very officers mismanaging the current consultation structure, and the brief was set by those self same officers.

The organisation who successfully bid for the project, Kaizen and Social Engine, produced a report presented to the Housing and Community Safety Sub-committee. The report was unremarkable in its finding.

As we had repeatedly identified, the engagement structure was dated. Devised some 30+ years ago, rarely reconfigured as the Council reconfigured its management areas, under resourced, and in a cycle of funding reduction, lacking in staff expertise to embrace new technology and new methods of engagement, staffed increasingly by officers with no knowledge of how the engagement structure should function, and stuck in a mindset where it was easier not to engage with residents than to engage.

Kaizen and Social Engine however chose to focus solely on what was wrong, rather than why it was wrong. Its cursory assessment found:

- A failure to engage diverse residents reflecting the make up of the Borough
- Lack of awareness of structures
- Lack of awareness of funding and outcomes
- Different priorities
- Communication
- Sustainability

With little questioning, scrutiny or consideration of other options, and perhaps with only a limited understanding of the consequences of their decisions, on 6th February 2018 elected members endorsed the recommendations of the report

It was proposed therefore to make changes under three main headings:

1. Reviewing current approach
2. Reconfigure engagement structures
3. Introduce more modern and up to date involvement mechanisms

Scrutiny determined that a collaborative co-design process should be established in which the council would be a participant alongside residents. This approach was recommended to develop a shared plan for change in response to the review, which would be owned by all stakeholders and build on the alleged widespread participation achieved during the review itself. This approach would potentially have worked, but this is not what we got.

Slowly but surely the Kaizen and Social Enterprise report seemed to grow and take on a life of its own. In July 2017, Councillor Cryan took a paper to cabinet referencing the report which the report stated that it, *'also identified opportunities for improvements in outcomes for residents and the borough as a whole that may be realised by transforming the way resident involvement takes place'*. In actual fact it

didn't. What it did was draw some very basic conclusions from non-depth conversations with people, whilst omitted to make any reference to the potential causes of these problems. This is a clear example of a process being built on disinformation. Throughout, the narrative has been entirely different to the reality.

The report went on to further detail that the Kaizen Social Enterprise report, '*... found several challenges with weaknesses identified throughout and across the current structure and culture of resident involvement, with a need to fundamentally refresh the meaning, purpose and approach to engagement*'. Again, it did nothing of the sort. It identified a number of areas, where there could, and should be some improvement, almost all, if not all of which, could be addressed through improved staff training and more positive input from senior management.

The formation of the co-design panel was agreed by cabinet and yet further money was found from the cash strapped Housing Department's budgets to employ the services for an independent Chair. In reality, the co-design panel, was nothing more than an officer selected working party, and it is shocking that an 'independent' Chair allowed himself to be part of a process that was entirely partisan. It is disturbing that officers do not know the difference and elected members, who should maintain a scrutiny role, chose not to do so.

Officers determined, based seemingly on no input from either Cabinet or Scrutiny, and certainly no input from the recognised consultation structure, that the officer selected working group should comprise 1 Representative from Homeowners Council, 1 Representative from the My Southwark Homeowners Board, 1 (Tenant) representative from the Youth Council, 7 Residents with little or no previous experience of formally participating, in the involvement structure (5 Tenants and 2 Homeowners), 1 Officer from the Communities Division, 1 Officer from Resident Services and 1 Officer from Organisational Transformation.

The lack of tenants familiar with the current engagement structure permitted officers to present a distorted and damning picture of the current consultation structure. From the outset, both how the consultation structure is funded was incorrectly explained to delegates of the working party, and the Tenant Fund was misrepresented.

The opening report to delegates stated, '*There are obvious gaps where there is no TRA, or where a TRA is ineffective resulting in over 80% of tenants being disenfranchised. There are estimates that only 0.5% of the resident population are involved in this structure*'. It failed to make clear that this represented a failure by engagement officers in their function to maintain existing T&RAs and to support and encourage the formation of new Associations. There was no evidence to support the suggestion that only 0.5% of the residents are involved in the structure, and as Southwark has no way to collate such a figure, we can assume that it is entirely false, and its presentation as fact was intended to colour the view of those attending the meeting. It is disappointing, and yet unsurprising that the Chair did not at the time seek some clarification on this.

Interestingly, the GLA held a meeting on 3rd July 2018 discussing issues around Resident involvement in Social Housing, which was attended by various directors of housing departments across London, Southwark's Director of Housing and

Modernisation, was in attendance and having heard a number of his fellow directors proudly extolling the virtues of their tenants and residents associations, their engagement structures, some not dissimilar to our own, commenting on how much they value the contribution of volunteers who strive to make their structures work, Southwark's director took an absolutely different approach, instead preferring to highlight the weaknesses he perceived in Southwark's engagement structure, perversely missing the most obvious, including that of poor leadership. It is very clear from his statement to the committee that he viewed the engagement structure in Southwark outdated, indicating he warmed more to newer methodologies like street stores, digital engagement, and Talkaoke. He also stated, *'We think that only about 0.5% of the Council's tenants and homeowners actively participate in those traditional TRAs and the forums that we have.'*, with nothing whatsoever to support this assertion, and having never had any direct contact with the consultation structure himself.

Whilst councillors may find it acceptable for the director or the housing department to operate like an absentee landlord, it is not considered acceptable by those of us who pay his salary.

In relation to the boycott by Tenant Council of the working party, delegates were informed, *"Panel members should note that both the Tenants Council (who were offered a seat on the Panel) and Southwark Group of Tenant Organisations have boycotted the Review. Whilst accepting that the current arrangements are ineffective, they believe that the review is about silencing voices, that they are not being engaged or consulted about the review, are critical of the Kaizen Review and believe the current arrangements are best practice and represent value for money."*

This again is utterly untrue. It represents the exact opposite of the view that was taken. The current arrangements for consultation are shameful. This has been made crystal clear again and again. Representations were made to Scrutiny on this very issue which prompted them to commence the current review and are a matter of public record. The Chair of the working party must have had access to minutes of Scrutiny meetings where this was discussed as part of his background papers for the project. He must have been aware that Tenant Council was anything but of the view that the current arrangements are either best practice or represent value for money.

Whilst claiming to be a co-design panel, officers laid down very clearly who would be on the working party, what would be discussed, when it would be discussed and provided all the background information and discussion materials. There was not even the merest hint of 'co-design' from start to finish. If elected members at Scrutiny who instructed that a co-design panel be set up, and the issuing of that instruction implies at least some understanding, we need some explanation as to why this did not happen and why elected members failed to act when their wishes were ignored.

The entire process leading to the production of the report paints a picture that mirrors our experiences in the months and years leading up to the report being commissioned. Poor oversight of officers' actions by elected members who have become more aloof and separated from residents. Officers with very fixed ideas about the outcome of the consultation exercise crudely steered delegates towards the outcomes they wanted, providing 'evidence' to support this which was at best subjective, at worse, entirely

untrue. Consultation entered into with the outcome pre-determined as evidenced by correspondence provided by officers prior to the commencement of the working group

It is little wonder therefore that delegates, presented with a damning critique of the current structure opted for a new model. I have no doubt that the residents who gave their time to engage with Southwark over many meetings to produce the report did so with the best of intentions unaware of the dishonest intent that simmered beneath.

This borough had a model of engagement that was viewed as best practice up and down the country until the very recent past, this was never made clear to working party delegates. They were not given the opportunity to look at what had changed or why things have drifted as badly as they had. They were dragged through a process that only ever had one clear outcome - to entirely dismantled the current consultation structure, and for all the elected members and senior officers who have pored over the content of the minutes of the working party minutes, and many surely have, no one, but no one, raised their head above the parapet to say that resident delegates were being provided with a distorted view.

It is disappointing that the Director of Housing and Modernisation when invited to the GLA to hear his peers from other boroughs talking so favourably about engagement in their own areas, set up very similarly to the structure in this borough, that he did not question why it worked well elsewhere but was failing here.

It is unsurprising in many respects that at a time when Southwark is pushing more and more services onto the internet that the outcome of this exercise should be that consultation should be moved in that direction.

It is surprising though that there was no evidence on the minutes of the viability of such a move. BT supported research into digital exclusion by the Good Things Foundation & Professor Simeon Yates in 2017. It reported that 49.5% of those in the DE social classes (using the NRS Social Grade classification system) were digitally excluded, 44.5% of households with an annual income under £11,500, and a further 17.8% with an income under £17800, 47.7% of non-users have a disability or a long standing health issue, 78.3% of non-users left education at aged 16 or under.

Age also plays an enormous part in digital exclusion, 64.4% of non-users are aged 65 or over: 25.3% aged 65-74; and 39.1% aged over 75.

Any comprehensive assessment of the viability of moving focus from face to face engagement to digital platforms, to be relevant would need to incorporate a good understanding of those such a move would disenfranchise. It appears no such assessment was undertaken or even considered as part of the working group deliberations, and the Digital Inclusion enjoyed by the working group is unlikely to be mirrored across the tenant population in Southwark based on the BT sponsored research and many other similar studies.

Moving to the report itself, it seems the council has spent a small fortune producing a report that contains a new 'vision' that in many places simply re-invents the wheel and looks exactly like the old one it is supposed to replace. Arguably the biggest failing

on the consultation structure today, is the abject failure of those officers managing the structure to actually know how it is supposed to function. The current model is an intricate system of timed meetings which ensure a flow of information and down the structure, providing a blanket of consultation and engagement across the borough. The utter chaos, disarrange and lack of experience within the Resident Involvement department, brought about by restructuring and staff changes has crippled the mechanisms for consultation, and instead of looking at the obvious, Southwark has sought to find complex answers instead, and done so at great expense.

The first two paragraphs provide a list of attributes, desirable in the new consultation structure. All good. However, they should have all been present in the existing structure, but they aren't. Many of these should of course go without saying. Where did they go? The report mentions accountability as a value it should adopt. Southwark needs to explain, to account for, what happened to accountability, what happened to transparency, mutual respect, integrity, putting residents first, collaboration, communication. Are we genuinely to believe that all of these values now lacking in the current structure, will be reintroduced under the new structure and be maintained any longer that remains convenient?

There is a proposal that they Council provides annual meetings for those not covered by a T&RA. More opportunities to engage are positive, but the function of a single annual meeting for those not aligned Tenants and Residents Association, can only, by virtue of frequency, be entirely different from the current network of consultation meetings that take place for those residents aligned to Tenants and Residents Associations. The six weekly frequency of Area Housing Forums (AHFs) and Tenant Council currently proves a challenge for many officers obliged to carry out consultation with residents. These meetings would have little value, if in fact any value at all, in a consultation structure. Their value would be as a vehicle for engagement rather than consultation. Reverting back to the old practice of supporting Tenants and Residents Association in difficulty and encouraging the formation of new Associations in areas of poor coverage would better serve the needs of those wanting to be involved in consultation.

A decision would then need to be made as to which budget these meetings were supported by. Should these meeting prove only to be an opportunity for residents to raise disrepair issues and complaints relating to housing management functions. These meetings would need to be funded through an alternative, appropriate budget.

Much is made of a 'red button approach', which clearly slipped past the jargon filter. It has been custom and practice for as long as any of us can remember, that if there is a pressing matter that needs urgent attention that raised by any resident attendee at a meeting, and officer, be that a Resident Services Officer, a Resident Services Manager, or a Senior Officer from Housing Management, will take details of that issue and deal with it as necessary. There is no recognition in the report that this is something that already happens, and this once again attests to the lack of experience of the officer group on the working party.

The report states *'that the model constitution for TRAs should be revisited to reduce jargon and the bureaucracy involved for TRA officers through a co-design*

process.'. Tenants and Residents Associations, the owners of those constitutions, seem to understand them perfectly well, and for by far the most part manage themselves within the boundaries of this constitutions. This seems like change for the sake of change.

The report further states that *'the council should continue to support TRAs being set up where this is wanted by residents'*. Residents will better understand the benefits of a forming a Tenants and Residents Association and elect to form an Association, if the are informed of the benefits of doing so and motivated to do so. Historically this was a role undertaken by Community Engagement and Resident Involvement officers. The report makes no mention of this role continuing, but seems to suggest officers will now adopt a reactive rather than proactive role. It is disappointing that drive to dismantle the current structures extends this far.

The report suggestions regarding Area Housing Forums, is where the inexperience and lack of knowledge of those involved in the review has really come to the fore. Minutes of the working group meetings indicate that delegates were confined to a number of predetermined options; retain current structure; merge the Area Housing Forums into the Community Councils; create a sub-committee for housing as part of the Community Councils; remove support from Area Housing Forums and not put in place any mechanism below Borough level.

Each option was provided with a short summary of the pros and cons, with retention of the existing forums described in such damning terms that no one would consider retaining them. At no point it seems were the true problems with Area Housing Forums discussed or explained to delegates. Ownership of the failure of Area Housing Forums lies squarely at the feet of senior management, who have failed to ensure the necessary oversight to maintain the flow of items to agendas and who have failed to ensure staff are suitable trained to maintain a working consultation structure. How were delegates ever to make informed decisions when key information was withheld in this way?

Area Housing Forums once a vital conduit between Housing Management, tenants and leaseholders enabling the Council to garner view and opinions of communities across the borough have been all but destroyed by shoddy management and servicing. Officers across the Council are oblivious to their obligation to utilise this channel and those servicing this conduit are seemingly in the dark about its function and purpose.

The solution recommended by the report is one that would all be remove the value the Forums have in the consultation structure, moving the frequency of meetings from 6 weekly to 3 monthly. Knowing the difficulty to funnelling reports through the current system, introducing further extended periods between meetings would render them all but useless.

Replacing the delegates system with attendance by individuals removes a democratic system in favour of one that promotes self interest.

Larger meetings require those attending to travel further, hampering involvement and discouraging attendance

The report make reference to strategic bodies, 'selected' by unknown means, selected by persons unknown. That would appear to be a contradiction of para 2(b). Transparency, this is open-ended in the extreme and can be interpreted as meaning anything.

Again, in language that is not entirely clear, the panel appear to be recommending misappropriating the funding tenants currently pay towards the tenant and subsuming it into other budgets. The Chair of the working group, Phil Morgan, was clear to delegates to Tenant Council that neither he, nor working party delegates, had sighted any documentation relating to the formation or the status of the Tenant Fund, but nonetheless did not hold back in recommending an alternative use for it. With the time and the money that has been expended on conducting this review, it is again disappointing that this was not better researched, and again emphasises that the outcome was predetermined.

The panel have agreed three pilot projects for digital involvement, which will exclude the 47.7% of internet non-users have a disability or long standing health issues, the 49.5% of internet non-users are in DE social class, the 44.5% of internet non-users have an annual household income less than £11,500, 78.3% of internet non-users who left education at aged 16 or under, and the 64.4% of internet non-users are aged 65 or over. It is not the function of the review panel to agree changes to the delivery of housing services in this way without due consultation. The council here appears to be in breach of its obligation to consult.

Residents on the working party were fed bias and misleading account of the current consultation structure, by officers with little or no understanding of how the structure should work. It is flawed from beginning to end.

We are, and have always been, happy to work together to improve consultation and engagement across the borough, to be more inclusive, to be more accessible, to embrace new methodologies where appropriate, to review and refine what we have.

We utterly reject the Resident Involvement Review Co-Design Panel Report. It is a flawed document from beginning to end.

Steve Hedger
Chair, Southwark Tenant Council



SOUTHWARK PIONEERS FUND

RESEARCH INTO THE NEEDS OF LOCAL SMES, SOCIAL ENTERPRISES & START-UPS



Photo: Asimina Pantazi

Authors: Victoria Boelman, Helen Goulden, Gitanjali Patel and Tatevik Sargsyan

DECEMBER 2018

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1. EXECUTIVE SUMMARY

BACKGROUND

Southwark is a borough booming with start-ups and a growing social enterprise sector. Southwark Council has bold ambitions to further grow entrepreneurship and the SME and social enterprise sectors in the borough, and the supporting ecosystem around them. As part of this, the Council is preparing to establish the Southwark Pioneers Fund, as pledged in the Council Plan, in support of its vision of a fairer future for all. The Southwark Pioneers Fund will support small and medium commercial and social ventures and start-ups (SMEs) which are contributing to tackling social and environmental challenges, including low pay, quality of work, and inequalities - helping to make Southwark a more prosperous and environmentally sustainable borough.

To ensure that the Southwark Pioneers Fund is developed in a way which is truly responsive to the needs of SMEs, social enterprises and start-ups, Southwark Council commissioned research commissioned to explore their needs and priorities, and consider the implications for the Fund development.

Over a short three week period in October 2018, researchers from The Young Foundation engaged 35 local start-ups, SMEs, social enterprises and intermediaries through group discussions and interviews. In line with the ambitions of the Fund, participants were drawn from organisations with fewer than 50 employees and from a range of sectors.

Overview of key findings

What does being a locally responsible business mean to start-ups, SMEs and social enterprises based in the borough?

SMEs and social enterprises have a largely shared understanding and vision of what it means to be a responsible local business:

- **Engaging with the local community**, in a way which is respectful and open, with special consideration given to their needs and preferences at times of development or change. Equally important is the desire to work with those in the community who most need support and actively contribute or create social value in the local area.
- **Being a responsible employer - offering good quality employment and well-paid jobs.** This covers the mix of jobs available, the quality of pay and benefits, and the provision of training.
- **Being conscious of the environment** - This is less commonly mentioned and typically only arises from those businesses whose activities have an obvious environmental connection.

Yet despite their ambitions, many SMEs and social enterprises identify challenges with achieving their goals of being a responsible business. The time and, to a slightly lesser extent, money required to deliver on social/ environmental goals can be difficult to justify – the priority is to keep the business operational and, ideally, profitable.

What is the current experience of start-ups, SMEs and social enterprises of being based in the borough and what are their support needs? What is the level of demand around this need? What non-financial support associated with a Fund would be most effective?

Most of the organisations we spoke with are happy being located in Southwark – many with long-standing ties to the area. The diverse and changing nature of the borough is attractive - with lots of things to do and places to eat, drink and socialise, along with good transport links and a thriving business sector. However, an influx of new businesses means that SMEs and social enterprises are feeling the pressure of an upwards trend in the cost of workspace.

In addition to a need for affordable workspace, businesses highlight a need for business support, improved networks, and financial support. The need for support decreases commensurately as an organisation grows (in staff numbers or turnover). Medium size businesses have typically reached the point where unless they are seeking a significant financial investment to support growth or expansion, their support needs are relatively limited. At the other end of the spectrum, start-ups and social enterprises are often struggling on a number of fronts to manage and grow their organisations and would benefit from support in several areas.

The table below summarises the key needs identified across the four support areas, the current environment in relation to each of the areas in Southwark and key recommendations addressing the key needs for the Council's consideration.

SUPPORT AREAS	KEY NEEDS IDENTIFIED BY BUSINESSES	SOUTHWARK'S CURRENT ENVIRONMENT AS TOLD BY BUSINESSES	RECOMMENDATIONS FOR THE COUNCIL
Affordable workspace	<p>Lack of affordable and suitable workspace</p> <p>Lack of mix-use office space (e.g. storage, shop front)</p>	<p>Southwark has a lot of office space and co-working spaces already.</p> <p>Southwark has good transport links.</p> <p>Businesses located in Southwark enjoy living and working in the borough - and they wish to remain.</p>	<p>Increase the availability of affordable workspace.</p> <p>Capitalise on the empty space within the borough, consider using 'pop-up' models.</p> <p>Ensure a range of workspaces are available.</p> <p>Consider rent subsidies or free workspace made available to start-ups.</p>
Business support	<p>Skills development, advice on specific issues.</p> <p>General mentoring and guidance.</p> <p>Lack of easily accessible information and guidance on business operation and funding opportunities.</p>	<p>Business growth programmes (accelerators, incubators) exist across the borough.</p> <p>Business support and advice scattered across a range of organisations (BIDs, intermediaries).</p>	<p>Explore routes to providing free/ subsidised/ pro-bono support (of all types) to the SME and social enterprise community, including mentoring and one-to-one guidance.</p> <p>Create a forum to show what support is available to SMEs, including a guide to Council and other funding sources</p> <p>Improve Council engagement with ventures and recognise that the Council is not always the most trusted broker.</p>
Finance	<p>Lack of understanding of different finance types – the applicability to their businesses, the advantages and disadvantages and resources available.</p>	<p>Current business rates in Southwark are perceived to be too high by SMEs and start-ups.</p>	<p>The mix of grant and loan would depend on the balance of priorities between stimulating more innovation in the borough and supporting the scaling of more established products, services and businesses.</p>

	Lack of awareness of funding streams and opportunities, and inability to navigate the funding system.		Grants are more favourable for piloting, testing and experimenting with new innovative solutions. Loans would be suitable for those who are more established and have more sustainable income streams.
Networks	Being part of a network to gain insights on funding and procurement opportunities.	Sector-based networks exist across Southwark. Networks and business support organisations exist at a more local level, such as in Peckham, Camberwell, the Old Kent Road or London Bridge areas.	Support the creation and development of business-led networks within the borough. Facilitate the creation of regular communications which signpost ventures to opportunities - these could extend beyond funding and business support opportunities to include local events and chances to engage with the community (both to give back and to help grow local business).

Targeting the Pioneers Fund to address these needs, focusing on business growth and innovation

- **Create a fund which has the flexibility** to support innovation (by definition more risky, earlier stage) and more advanced businesses that are ready to take their business to the next level, will be highly desirable.
- **Embed the fund within the existing eco-system of business support across the Borough.** The ground work has been done with the creation of the advisory board (and existing relationships), which could be strengthened through
- **Maximise and grow the impact of what exists already.** The research shows that there is a stated demand for more visibility and finger-tip access to advice, skills, mentoring, funding sources and resources for earlier stage businesses in Southwark and should feature alongside any manifestation of the fund. As many SME's identified customer acquisition and access to markets as a primary route to bringing finance into their businesses, this bringing together and leveraging of existing business support activity and networks across the borough, is key.

Considerations for the council to maximise on social value and return on investment

- **Work with a trusted organisation who can manage the fund, facilitate and leverage additional soft money into the fund to blend with loan finance.** This has the twin advantage of de-risking some of the SME concerns have about taking on loan finance and minimising the soft money that the Council contributes (and so increasing the proportion of repayable finance that comes back to the Council).
- **What constitutes return on investment for Southwark Council and does it seek to put a number on that?** – And how will the Council will differentiate between financial value returned to the fund, or cashable savings that might be accrued as a result of the growth of a particular enterprise or business? Taking a rigorous and long-term view of social impact against council priorities and modelling current/possible future savings to the council (as well as returns to the fund) will be desirable, and require some dedicated resource to support effectively.

- **The kinds of businesses generating social value that align with Council priorities.** All businesses will, to varying degrees, have the potential to align with the council priority of increasing employment. However, those businesses that seek to generate social value as part of their core mission, are likely to be social enterprises. This may limit the Council's ambition to include equity as part of the Pioneer's Fund.
- **How the fund is described and marketed.** Due consideration should be given to ensuring that the existence of the fund is marketed to as wide an audience across the borough, framed and described in a way that feels accessible, and for everyone. The Pioneers Fund should avoid the trap of attracting a narrow base of 'usual suspects' or those who are highly equipped and experienced in attracting other social finance from across London.

2. INTRODUCTION

BACKGROUND

Southwark is recognised as area booming area for start-ups, bolstered by the London Bridge regeneration and other infrastructure improvements. Estimates based on ONS data suggest that Southwark ranks 10th of all boroughs in London for total number of SMEs, and ranks 9th for the rate of new business start-ups. In addition, a 2015 study by Community Action Southwark estimated that there are around 800 non-dormant Companies Limited by Guarantee, 125 mutuals ("registered societies"), and 58 active Community Interest Companies (CICs) with addresses in Southwark.

There is a growing ecosystem of support for SMEs and social enterprises, with several incubators and support organisations in operation. There is high demand for flexible or shared workspace and as a result there is a growing offer, from large national 'chains' such as Instant Office through to social enterprise operators providing unique spaces such as Hotel Elephant and Cell Projects.

Southwark Council has bold ambitions to grow entrepreneurship and the SME and social enterprise sectors in the borough, and the supporting ecosystem around them. As part of this, the Council is preparing to establish the Southwark Pioneers Fund, as pledged in the Council Plan, in support of its vision of a fairer future for all. The Southwark Pioneers Fund will support small and medium commercial and social ventures and start-ups (SMEs) which are contributing to tackling social and environmental challenges, including low pay, quality of work, and inequalities - helping to make Southwark a more prosperous and environmentally sustainable borough.

The Council has identified the broad aims of the Southwark Pioneers Fund as being to:

- Support new entrepreneurs to start commercial and social ventures and support existing ventures to grow
- Support new sectors to grow and facilitate a diverse range of local entrepreneurial activity
- Create a sustainable / recyclable source of funding for investment and business support
- Support delivery of wider Council objectives

Alongside access to finance, there will be a programme of support to give funded ventures (and potentially others which are not yet investment-ready) the best opportunity for success. This could include support / advice, connections to affordable workspace, support for networks, business infrastructure improvements, and better engagement/ connections with the Council.

The fund and the wider programme around it must therefore: add value to and complement what is already available locally (in terms of both investment and support); draw-in additional investors (both financial and in-kind expertise); engender community support and stimulate people and organisations to be innovative more widely across the borough; and encourage collaboration between ventures, the community and other local organisations and corporates.

RESEARCH OBJECTIVES

The Council wishes to make sure that the Southwark Pioneers Fund is developed in a way which is truly responsive to the needs of SMEs, social enterprises and start-ups, including revenue generating voluntary sector organisations in the borough. This research was commissioned to explore this issue and consider the implications for the Fund development, with a focus on the following specific questions:

- What does being a locally responsible business mean to start-ups, SMEs and social enterprises?
- What is the current experience of start-ups, SMEs and social enterprises of being based in the borough?

- What are the support needs of start-ups and SME ventures in the borough across the for-profit and not-for-profit sectors? What is the level of demand around this need?
- What non-financial support associated with the Fund would be most effective?
- How would the Southwark Pioneers Fund best be targeted to address these needs, focusing on business growth and innovation?
- What would be the key considerations for the council to maximise on social value and return on investment?

RESEARCH METHODOLOGY

The requirement was to deliver this research within a tight time-frame that allowed only a little over three weeks for fieldwork. Given the objectives of the Southwark Pioneers Fund we also focused on social enterprises in the micro and small categories (up to 50 employees). We therefore adopted a mixed-methods qualitative approach which comprised telephone interviews and a 2-hour evening workshop in the borough.

Participants were identified in a number of ways: internet searches, referrals from intermediaries, via social media, and through visits to workspaces. In total we spoke to:

- 16 SMEs (from start-up to 45 employees)
- 11 social enterprises (from start-up to 25 employees)
- 8 local intermediaries (business/ social enterprise support organisations)

SME and social enterprise participants represent ventures from a wide variety of sectors: professional services (such as architecture and estate agency); arts and entertainment (including fitness, arts and leisure services and cafes); health and beauty (such as a hair salon); education; administrative and support services (IT and consultancy); technology and digital; marketing and communications; and retail. They are operating from a range of premises including retail units, commercial office space, to shared workspaces, 'units' and studios. Participants were also drawn from across the borough including London Bridge, Peckham, Dulwich and Camberwell.

Interviews and the workshop were conducted between the 8th and 30th October 2018 by The Young Foundation's Research team, with support from the Ventures & Social Investment team.

It is important to note that a qualitative methodology was used for this research and a convenience sample drawn due to the timeframe, although every effort was made to reach a broad and diverse group of organisations. As a result there are limits to the extent to which the insights in this report can be taken as representative of the views of all start-ups, SMEs and social enterprises in the borough. In particular:

- It is not possible to draw hard conclusions about the proportion of SMEs or social enterprises who agree with a certain point of view or who have specific needs
- It is not possible to extrapolate out to estimate the scale of opportunity, for example how many ventures could the council expect to support and by how much would they grow as a result of the Fund. There are a number of reasons for this:
 - Current data on the 'universe' of start-ups, SMEs and social enterprises in the borough is patchy and better quality/ more detailed information would be required to do this kind of modelling;
 - While just over half of SMEs were able to identify how much investment they need, most cannot reasonably estimate what level what level of growth will result;
 - Ultimately growth is dependent on a wide range of factors which are beyond the influence of the Fund (e.g. impacts arising from Brexit).

3. KEY FINDINGS

Being a responsible local business

Most of the organisations we spoke to are extremely positive and happy about being based in Southwark. Many of smaller businesses and social enterprises feel a strong sense of attachment to Southwark, often because founders and managers have lived and/ or previously worked and studied in the area and chosen to stay or to locate there. Others have moved into the borough attracted by practical factors such as its geographic position (central to London and “*in the city but not really in the city*” (SME, *Administrative Sector, in Southwark since 1995*), prestigious office space such as The Shard, or the availability of affordable workspace for start-ups. The diverse and changing nature of the borough with lots of things to do and places to eat, drink and socialise are attractive, along with good transport links and a thriving business sector. It is generally seen as an attractive place to work and live.

Nonetheless, the rapid pace of change and influx of new businesses means that SMEs and social enterprises are feeling the pressure of an upwards trend in the cost of workspace. This is particularly the case for London Bridge and Borough which have been felt by many to be unaffordable for some time now, and the rise in rents is spreading out to previously more affordable areas like Camberwell and Peckham. Some also mention relatively weak links with the local Council, particularly in terms of business support.

SMEs and social enterprises have a largely shared understanding and vision of what it means to be a responsible local business. The focus of efforts varies from organisation to organisation, reflecting differences in the type of operation and capacity, but there are several consistent themes and priorities.

The most common theme relates to **a need to engage with the local community**. Relations with the local community must be respectful and open, with particular consideration given to their needs and preferences at times of development or change. Equally important is the desire to work with those in the community who most need support and actively contribute or create social value in the local area. Organisations have different approaches to identifying who they feel to be most at need within their community - from data-driven to mission-led, and priorities often reflect the activities of the business and where decision-makers feel they are best placed to make a difference.

Unsurprisingly, marginalised groups such as BME communities, young mothers and those “*without a voice*” (in vulnerable situations) are often a priority but other groups such as the unemployed, female entrepreneurs, or entrepreneurs who are at a very early stage/ from disadvantaged areas are also a focus.

Engagement with the local community can range from more traditional charitable or CSR-type activities (supporting local charities financially or through pro-bono support etc.) to putting in place active policies to support inclusion, such as work-experience schemes and employment policies. However, the majority of for-profit SMEs are not currently undertaking much activity in terms of community engagement, although they express a desire to do more.

In contrast, being a responsible local business is often at the heart of a social enterprise’s mission and can influence their whole business model, including the products or services made/ offered. Social enterprises in particular often focus on ensuring that their offer is “*free or low cost*” to community residents.

A second dimension relates to **being a responsible employer - offering good quality employment and well-paid jobs**. At its heart, “*this means looking after your employees*” and creating “*a fun, safe working environment*” which contributes to the wellbeing of staff. It encompasses a range of aspects from the employer perspective:

- Paying people a reasonable wage (at least London Living Wage) for the work they do, - and this should include paying founders, owners and managers who often work for low or no pay in the start-up phase
- Paying people in a way which is legal - PAYE (with NI and pension contributions as appropriate) rather than cash in hand
- Offering a good mix of positions, both salaried and casual, where possible and in line with business needs
- Investing in and supporting staff training
- Offering opportunities for young people or those without the relevant skills - through work experience, apprenticeship programmes and other training schemes

Currently, however, it is predominantly only the larger and more established organisations who are taking on apprentices, although more are able to offer at least occasional work experience placements.

The third dimension of being a responsible local business is **being conscious of the environment** and “*concerned with how your business operates in relation to the environment*”. This is less commonly mentioned and typically only arises from those businesses whose activities have an obvious environmental connection.

Yet despite their ambitions, **many SMEs and social enterprises identify challenges with achieving their goals of being a responsible business**. For smaller firms and new start-ups, the time and, to a slightly lesser extent, money required to deliver on social/ environmental goals can be difficult to justify. “*The bottom line is the key thing*” and their first obligation is to keep the business operational and, ideally, profitable. Offering better training opportunities or work experience, for example, requires time and potentially additional staff, which many organisations cannot afford.

“Small businesses have to grow first and things such as CSR gets put behind because of fears of running out of money. It's something we should do and aim to do”.
(SME, Communications sector, in Southwark since 2012)

The other challenge mentioned by a few businesses is understanding how best to have a positive impact locally. It can be difficult to know who to work with or engage within a specific area.

SME & social enterprise ambitions

The vast majority of both SMEs and social enterprises have ambitions to grow in the coming years. However, for most the growth ambitions are modest; few have plans to scale to more than 50 employees and the majority anticipate employing just a few additional members of staff. Some SMEs and social enterprises are, however, stuck because they lack the investment necessary to do so.

Of those who do not have ambitions to grow, this is largely because they are either focusing on improving the quality of their offering (e.g. investing in premises or product development) or are anticipating a period of consolidation after recent growth, with an emphasis on retaining good quality clients rather than growing at an unsustainable pace (particularly for-profit firms). For one or two small organisations, the question is simply one of survival.

There are other notable differences between social enterprises and for-profit businesses too. A core ambition for many social enterprises is to become more embedded in their local community and increase their social impact, which may or may not entail growth in staff or turnover.

“Grants to help fund work with the community. We want to do social outreach but the only way it happens is with funds. We need funds for community engagement.”
(SME, Creative industries sector, in Southwark since 2012)

There is also a stronger sense of attachment to the place in which they are based, and an explicit hope that they will be able to remain in their current premises or find suitable alternatives within the locality. On the other hand, consideration of the implications of Brexit and the uncertainty this engenders for future plans was mentioned primarily, but not exclusively, by for-profit firms.

Drive to innovate

‘Innovation’ is not the most intuitive concept or top of mind consideration for many organisations. The term means different things to different people - from simply always being on the look-out for new/ better ways of doing things, or breaking in to new markets. A new or increased digital offer (e.g. app or online sales channel) is also a relatively common area of exploration for businesses which are based on more traditional models. Very few organisations express the desire to diversify their activities significantly. Tech based firms, however, tend to be actively looking to develop new products and services and R&D is at the core of their work.

Support needs

Our conversations with organisations clearly demonstrate that the need for support decreases commensurately as an organisation grows (in staff numbers or turnover). Medium size businesses have typically reached the point where unless they are seeking a significant financial investment to support growth or expansion, their support needs are relatively limited. At the other end of the spectrum, start-ups and social enterprises are often struggling on a number of fronts to manage and grow their organisations and would benefit from support in several areas. These can be summarised as:

- Affordable workspace - and also access to affordable space for events and similar ad-hoc/ one-off activities
- Business support - from personalised guidance and mentoring to practical support on things like HR, IT and Marketing
- Networks - The ability to connect with people operating locally and/ or in a similar sector, opportunities to find out on a regular basis about opportunities (including funding), such as via newsletters, and access to directories and guides to local resources and groups
- Finance - Improved access to appropriate sources of finance and support to access it

While it is not possible to quantify precisely the differences, Figure 1 provides an illustration of the relative priorities of organisations at different stages of growth and development. It should be noted that affordable workspace is not included in the illustration as for all organisations this is seen as a ‘hygiene factor’ or essential pre-requisite for them to be able to operate from within the borough.

Figure 1: Priorities for support by organisational growth stage



However, it is important to note that the type of business support needed varies as organisations grow, and preferences for type of financial support also change. Each of the areas for support is explored in more detail in the following sections.

SMEs, start-ups and social enterprises in Southwark identify a range of ways in which the Council can improve support to the business community. These respond to some of the deficits in provision identified. There is a sense that SMEs could be encouraged to be more responsible both socially and environmentally and that the Council could offer recommendations as to how SMEs can give back and pave the way to doing so. Specific recommendations for the Council are included under each type of support.

Staying local and growing a social enterprise

She has been running her company since 2001 but is struggling to raise the finances to grow: *“We need to grow our workforce to grow our company - we’ve been at a crossroads for a few years and can’t take next steps without at least 2 more workers.”* Her work is focussed on helping disadvantaged young people in the borough. She believes that businesses based in the area have a responsibility *“to be true to residents and people who live in Southwark and being respectful of them. Too many people are coming in who don’t understand this and local people are getting pushed out.”* She explains that one of the primary challenges she faces is, *“knowing enough about what’s going on in the borough and what’s available to us. I found out about a neighbourhood renewal fund yesterday that I could have applied to but I did not know about it in time.”*

Affordable workspace

The availability of affordable workspace is a major issue for many ventures. *“Things are challenging in Southwark because the borough lost 60% of affordable work spaces in the last 4 years”* (Intermediary organisation). There are a number of challenges/ needs which coincide to make it difficult for some organisations to find a base or grow into different premises within the same locality. Affordable workspace is a basic pre-requisite for being able to operate in the borough, regardless of organisational type, size or stage of development. As such, it is not perceived as a “support need” in the same vein as finance, networks and business support but rather a core provision of assets which must be developed if the social enterprise community in the borough is to continue to flourish.

- There is pressure on affordable workspace from businesses moving into the borough to take advantage of the offer
- There is not always the right mix/ type of workspace available - single entrepreneurs with a laptop are able to work more flexibly and there is greater provision of office space; those looking for other types of workspace, e.g. artisans, creatives, those with large storage requirements, or light industrial, and those who have mixed-use requirements (e.g. shop front with storage and office space) are more limited in their options
- Co-working spaces in the borough are generally not perceived as having a strong sense of community or building networks between those who use them. There is a clear desire for more communal and inclusive working environments which are purposively designed and managed to build links between individuals and organisations.

There are also significant variations in the workspaces between different wards and neighbourhoods across the borough. London Bridge is seen as an exciting and dynamic area, but with prices to match that are pushing out SMEs and social enterprises. Areas such as Peckham and Camberwell are perceived as more affordable. The lower rates in these areas are, however, attracting businesses who can no longer afford to be in more central location, making workspaces less affordable and pushing out small local businesses. There is also some criticism levelled at some co-working places which claim to tackle this issue, but rent space to ventures “using it as a showroom” when there are others who have a more urgent day-to-day operational need for space.

The Camden Collective is held up as model of a co-working space which Southwark could consider replicating. It offers free space to local start-ups and subsidised space to more established small ventures, with a strong ethos of inclusivity, building networks and collaborations. It is based in disused buildings across Camden and rent from some offices cross-subsidises renovations and the provision of free hot-desking space.

In addition to the need for *affordable* workspace, several ventures mentioned the need for larger event or meeting space that can be hired on an ad-hoc but affordable basis. The demand for larger spaces that can be rented at a low rate for community activities is also mentioned by social enterprises.

From the sample of organisations we spoke with, it is not possible to determine what proportion of all start-ups, SMEs and social enterprises in the borough need what type of space – for example hot desking or small offices, vs. retail fronts, storage and light industrial or a combination of those. Indeed, the needs of an individual business change over time as they grow or contract, and diversify or rationalise their offer.

Recommendations for the Council

1. Increase the availability of affordable workspace
2. Consider how rents can be subsidised or free workspace made available to enable ventures to grow within their community, without having to relocate to other areas.
3. Capitalise on the empty space within the borough, for example by looking to models such as the Camden Collective or similar ‘pop-up’ models.
4. Ensure there is an appropriate range of workspaces available, including looking at what is being done in Lambeth with pop-up parks and the Remakery.

Business support

Start-ups, small businesses and social enterprises are keen to access a greater level of general business support, particularly at subsidised rates or free/ pro-bono.

“We need financial support, IT, HR support, PR – things like advertising and media. We have to pay for whatever support we use”.
(SME, Support services sector, in Southwark since 1986)

Faced with the daily demands of running a business, owners/ founders and managers can struggle to prioritise and manage their time. This is particularly the case for early-stage start-ups or those organisations which have ambitions to grow after a period of initial consolidation. There is little capacity within existing staff structures to research and access additional support, and similarly a lack of funding to pay for significant amounts of professional time.

Entrepreneurs are often aware that there is much to know and learn from but find it difficult to locate a bank of resources which provides the critical information in an accessible format, and/ or low-cost or free sources of advice. In addition, many social enterprises face a challenge of shifting an internal mind-set from that of operating in the charitable sector, to thinking and acting more like a commercial business.

Needs can be summarised as falling into one of several, albeit overlapping groups: skills development, advice on specific issues, and general mentoring and guidance. At the very earliest stages of start-up, the priority needs tend to relate to the basics or essentials of starting a business – how to create a business plan, where to obtain start-up funding, how to become legally incorporated and choose the right structure and so on. Later on, once the organisation is slightly more established, the focus turns to helping the business to become sustainable and operate efficiently. The specific skills or support required depend on the background of individuals and the sector of the business but typically cover areas such as accountancy, fundraising and/ or sales, branding, PR, media, and IT. The hiring of staff, particularly for the first time, can also create a more pressing need for HR advice to ensure that the organisation is compliant with necessary legislation or best practice, and has in place the policies and processes to be a responsible employer.

Few small or start-up ventures are currently accessing corporate/ pro-bono support, although most feel that there should be significant capacity for large enterprises based locally to offer this. Mentorship is attractive in principle to leaders across all types of organisation but most feel they do not have the skills or contacts to facilitate such support. That said, many are keen to stress that pro-bono support must be tailored and matched to their needs - while the offer of help from, say, a legal advisor from a corporate firm is appreciated, that individual may not have the right skill set to support a business which is primarily struggling with how to open up new markets. Corporate volunteers do not always have the necessary entrepreneurial mind-set or experience, or the capacity to provide the onsite support required.

Growing a Communications SME

James is the Founder and Director of a communications company, currently with no other employees. He has been based in Southwark since 2012 and enjoy being located close to home and that the area is full of new and growing businesses. His ambition is to grow to a team of 3 within the next 12 months but is struggling with general business growth support. James knows he needs finance to grow but is unsure how to get the advice they need or make the right decision: *“It would be useful to get business advice on what the best external finance option would be. Southwark [Council] could facilitate advice on grants and investment.”* He is also keen to meet other business leaders in the borough for mutual support and sharing ideas and services. *“An ideal network would be informal, serious, medium-sized, dynamic and meetings would take place in person.”*

More mature and established SMEs in particular differ in that they rarely raise the need for business support of this practical nature. Some leaders would welcome the opportunity for mentorship but

generally feel that they have the necessary skills, staff and knowledge to manage the core operations of their business or are able to buy-in specialist support as required.

Some SMEs and social enterprises are accessing growth programmes, accelerators or incubators and other similar offerings, both within the borough and from London- or UK-wide providers (e.g. via organisations such as The British Library, RSA, and Escape the City). These are valuable to those who can access them but many are either not ready for the type of support available, or are unaware of it or how to access such opportunities.

Almost all SMEs and social enterprises would welcome a centralised resource for entrepreneurs which helps them to run their business on a day-to-day basis, without being necessarily focused on innovation or growth in the first instance. Ideally this would comprise both content and resources that can be accessed independently and the provision of regular, subsidised or free skills development opportunities. Examples of areas might include understanding the right legal form of business and how to register a company, or a guide to becoming an employer. There is also a significant level of demand for a mentor matching service which would link local SMEs to appropriate experts from corporates in the borough, or retired professionals looking to contribute to the local community.

Recommendations for the Council

5. Explore routes to providing free/ subsidised/ pro-bono support (of all types) to the SME and social enterprise community, including mentoring and one-to-one guidance.
6. Create a forum to show what support is available to SMEs, including a guide to Council and other funding sources
7. Improve Council engagement with ventures and recognise that the Council is not always the most trusted broker

Networks

SMEs and Social Enterprises have mixed experiences of professional networks. Most SMEs feel that there are not many business networks in the borough, and that where there are they are generally unconnected. Some businesses feel isolated in their activities or like a “lone ranger” and believe Southwark Council has some work to do in developing a strong, networked SME sector. In contrast, others believe there is a lot going on in the borough in terms of networks but that it needs to be organised and managed better.

Many networks in Southwark appear to be largely sector-based rather than focused on the business needs of SMEs or start-ups, and London-focused rather than Southwark-focused. There are a number of networks and organisations focused on supporting and networking businesses and organisations but at a much more localised level, such as in Peckham, Camberwell, the Old Kent Road or London Bridge areas. There is little awareness of any business networks for Southwark as a whole. *“Team London Bridge help small businesses have a voice and help them promote their services in the borough.” (SME, arts, entertainment, and recreation sector, in Southwark since 2000).*

The level of activity in networks is inconsistent across SMEs and social enterprises – size and longevity of businesses do not appear to make a direct impact on involvement in networks. Where businesses are located in co-working spaces they are involved to some degree in networks in these spaces, but this tends to be informal and ad hoc. However, where businesses are involved in networks outside of their workplace they tend to be active in networks that are sector-specific at a national or London-wide level, whether that is in real estate, health, publishing, legal services, or architecture, for example. Many value these networks more highly than local business networks.

While some businesses find it difficult to connect with networks due to time – “*the problem with small business is capacity. It’s hard to find time to go to network meetings*” – most SMEs and social enterprises agree that networks are very important. For some, such networks are based on the locality – “*networks offer the opportunity to know your neighbours*” – for others on general business development – “[*it is*] very important [*to help people*] manage and improve their business” and some primarily for the opportunities to collaborate – “*it is very important in terms of co-support and sharing ideas and services*”.

Creating a start-up community building on local assets

Mark is the managing director of a start-up working with digital healthcare. His business has been established and operating in Southwark since 2015. He finds that one of the challenges of being based in Southwark is that “office space is expensive, and so are business rates. The combination of rents and business rate is a big burden on any small business. I am tempted to move to East London where rents are cheaper.” He believes the council can do a great deal to support SMEs financially in the borough. He suggests that, “the council could set up an innovation hub for digital healthcare given the other organisations in the area e.g. Guy’s and St Thomas and KCL”.

Nonetheless, it is important to note that while networks are attractive and most see the potential benefits, they are a relatively low priority compared to other types of support that could be offered. In particular for more early stage organisations, affordable workspace, finance and business support are all more important. Networks become more important for those organisations which are more mature and established as they typically have more ‘bandwidth’ to be able to consider opportunities outside their core role of getting the business up and running or ensuring sustainability on a day to day basis.

In terms of what a business network in Southwark might look like, SMEs and social enterprises highlighted the importance of business networks in:

1. Developing skills
2. Sharing resources
3. Supporting procurement
4. Developing community-focussed organisations
5. Providing support for existing work rather than new organisations and businesses
6. Being dynamic, informal, productive and face-to-face
7. Being designed for and marketed to small businesses and organisations

Southwark Council is primarily viewed as a potential enabler of networks in the borough – for example by more actively promoting those which exist on its website and through other channels, and by supporting the creation of new networks which are created and led by local business groups. SME and/or social enterprise meet-ups are also another form of networking that the Council could support, for example through providing meeting space and communications.

Recommendations for the Council

8. Facilitate the creation of regular communications which signpost ventures to opportunities - these could extend beyond funding and business support opportunities to include local events and chances to engage with the community (both to give back and to help grow local business)
9. Support the creation and development of business-led networks within the borough
10. Where appropriate, look to stimulate collaborations between public, private and third sector organisations in the borough. For example, a tech based social enterprise suggested *“set Southwark up as a hub for digital health, as Digital Health.London and the Health Innovation Network are already based there ... there is just a lack of resources in Southwark CCG to fund local evaluations ... and it could be supported by Guy's & St Thomas Hospitals' / King's College London too”*.

Financial support

While SMEs and for-profit start-ups are dependent entirely on sales for their income, the majority of social enterprises are reliant on a blend of income from sales plus grant funding from a range of sources to help them achieve their social impact. Social enterprises in particular feel that they have to *“hustle hard to bring the money in”*. An SME working in communications summarises the two key support needs for the Council to address: *“It would be helpful to get more reasonable rates - commercial rates are so high that smaller businesses are moving out. The Council should also offer more reasonably priced office space.”*

Some businesses have needed to take out loans or resort to measures like re-mortgaging their house in order to get their business up and running or to support growth plans. However, loans are extremely unpopular form of financing - businesses are worried about interest rates and being able to meet repayment schedules. With uncertainty over future incomes, particularly in the early-stages, a loan is too risky for most to consider. However, one intermediary did note that many entrepreneurs do not fully understand different types of finance and that at times (although by no means always) small loans might be a good and appropriate option.

The way in which many loans are often tied to specific initiatives or projects is also restrictive. Instead there is a need for more flexible finance that ventures can use to meet needs as required. Even where loans appear to be a more feasible prospect, some SMEs find that they are too small to qualify for bank

loans at an affordable rate. These SMEs would require more guidance and information on what finance was available, its suitability and relevance for their business and, importantly, any loan finance would need to be at a lower rate than more traditional lenders (e.g. local banks) and on longer and/or more flexible repayment terms.

Struggling to scale: A social enterprise

Shirin is the Founder of a social enterprise working with people who have learning disabilities; currently there are four employees. Her main focus is on incremental growth of the business. Due to their size they struggle to access small or large funding, and feel that there is a missing middle: *“I don't know who to speak to in the borough and the Mayor's office (there are strategic funds there) - there needs to be more signposting as to who to contact ... There needs to be more middle ground investment because we are over delivering but need funding to scale.”* However, the most helpful type of support would be - *“a rent subsidy and affordable spaces with wheelchair access.”* They are interested in connecting with others locally but don't always have the capacity: *“It's hard to find time to go to meetings – it would be good to have signposting, information sharing, or an online forum.”*

Only a small handful of the businesses we spoke with have received equity investment, from either venture capitalists or angel investors. These are predominantly the larger, commercial and more established SMEs but also include one social enterprise. For most, equity investment is not of interest and it is not something that they have considered due to their size, business model, or the nature of their work, which may be more suitable for grant funding; the reality is that equity investment is a financing option only available to companies limited by shares. A perception for a handful of larger limited companies has been that equity investment is 'complex' and 'more risky'. Nonetheless a few firms are considering the possibility of equity investment but feel they need more guidance to help them understand this form of finance, its advantages and disadvantages, and appropriateness for their individual situations.

For those businesses who do feel ready for more significant financial investment, a hybrid form of finance may be more appropriate – a mix of grant and loan. The loan must come with affordable interest rates and good repayment terms. Most of the businesses who had raised investment had also secured sector specific grants (e.g. from Innovate UK). Additionally, any investment should also be offered alongside more general business support and advice. As one intermediary noted:

"It's about making loans as affordable as possible and capping it at a certain amount. E.g. a loan of up to 10k and you can repay it within 5 years ... Start-ups have to make a case for their business to get money and support for developing it. Providing a grant is too easy – at some point you have to become competitive. Having a loan at a reasonable amount that can be repaid with flexible terms and would give start-ups the right level of responsibility and accountability".
(Social enterprise providing business incubator support).

In terms of actions to improve their financial sustainability, many ventures point instead to ways of reducing their outgoings - for example by cutting business rates, subsidising workspace, or exempting them from paying the Apprenticeship Levy. As pointed out by one tech based social enterprise, "Finding office space and grants/loans to cover business rates for cash flow of SMEs and start-ups." Some also observe that Council procurement processes should reflect the fact that SME is an extremely wide category; micro and small firms are still at a significant disadvantage when competing with medium-sized firms which may have over 100 employees.

Much of the challenge for SMEs and social enterprises also lies in understanding how to identify relevant funding and financing opportunities, how to navigate the funding system, and how to most effectively make applications. Smaller ventures often face a capacity problem in exploring where and how to access funding. A further barrier can be that while training or useful events on how to access funds may be available, sometimes the costs involved with attending (travel, staff time) can be prohibitive - support to facilitate participation in such opportunities would be welcomed.

Recommendations for the Council

The implications for the Fund are highlighted in Chapter 5. In addition:

1. The mix of grant and loan would depend on the balance of priorities between stimulating more innovation in the borough and supporting the scaling of more established products, services and businesses. Grants are more favourable for piloting, testing and experimenting with new innovative solutions. Loans would be suitable for those who are more established and have more sustainable income streams.
2. Look to improve procurement terms and processes to support SMEs and social enterprises more effectively.

4. EXAMPLES FROM ELSEWHERE

There are a range of examples where local authorities have developed business support programmes and funds with a variety of funding models:

Grants for start-ups and SMEs

Tendring District Council's SME Growth Fund

Model: The initial scheme of a total of £750,000 came to an end in March 2018 but recognising the value it created for the local economy, the scheme has been extended until 2020 and expanded to include all sectors except retail. The new total fund is £250,000 and grants are available between £3,000 and up to £150,000. Businesses must also find match funding alongside the grant, 75% match funding for SMEs and 50% for start-ups. The grant can be used towards both revenue costs and capital costs.

Fund: The Growth Fund is jointly funded by Essex County Council and provides grants for new start-ups and existing SMEs working or looking to locate to Tendring District.

Priorities: The Fund focuses on businesses working in the following sectors: manufacturing, engineering, energy, low carbon, maritime, and R&D activities/supply chain businesses that support those sectors. The grants are intended to contribute to the costs of starting up or growing a business and support the creation of new permanent part-time or full-time jobs or safeguard existing jobs.

Impact: In its first three years of operation, ten local business have a received a grant, with a combined value of £400,104. It has been calculated that this funding has created 37 new FTE jobs, safeguarded a further 17.5 FTE roles, and leveraged £831,852.31 in additional private sector investment. The high level of local demand means that in December 2018 the District Council is considering adding an additional £250,000 to the Fund.

New Anglia Growing Business Fund (Norfolk and Suffolk)

Model: Launched in 2013, the Fund offers grants of £5,000 and up to £500,000 for SMEs across Norfolk and Suffolk that want to grow and create new jobs, grants can be used for up to 20% of the total project cost.

Fund: The Fund is delivered by New Anglia LEP in partnership with Suffolk County Council and Finance East.

Priorities: The Fund's priorities are supporting businesses who are looking to grow, expand and recruit new staff, seeking capital funding.

Impact: By late-2018, the Fund had awarded over £20million in grants to over 300 businesses. These have created almost 2,500 jobs and secured over £100m in private investment.

Loans for start-ups and SMEs

The Innovation Investment Loan (Kent)

Model: SMEs can apply for a 0% loan between £200,000 and £999,999 who have the potential for innovation and high growth.

Fund: The total fund is £2million and funded by the South East Local Enterprise Partnership, and Local Growth Fund.

Priorities: The Fund's priorities are for businesses to contribute towards sustainable employment opportunities. Priority sectors are: Manufacturing, Low Carbon Technology, Pharmaceuticals & Life Sciences, ICT Software Development and Information Management, Media, Creative and Cultural Industries; Marine Ports and Logistics and Technological Development.

Impact: 2017-2018 is the first cycle of funding so impact is as yet unknown. The planned ambition was to It will support around 60 businesses and create up to 450 jobs.

Business Loan Fund (Stoke-on-Trent and Staffordshire)

Model: The fund supports SMEs with fewer than 50 employees who have sustainable businesses but have been unable to secure finance from traditional banks.

Fund: The fund is managed by the Black Country Reinvestment Society (BCRS) and loans are available between £10,000 to £50,000 to SMEs located in Stoke-on-Trent and Staffordshire.

Priorities: The Fund's priorities are for businesses to contribute towards sustainable employment opportunities.

Impact: By March 2018, the Staffordshire Fund had supported 176 businesses and created or protected 1,155 jobs. BCRS manages similar funds for Stoke-on-Trent, Staffordshire and Worcestershire as well as the Midlands Engine Investment Fund (since 2017) and the Wolverhampton Independent Retail Loan Fund (since mid-2018). In total, since 2002, BCRS has supported around 1,350 businesses and created or safeguarded around 3,000 jobs. The total estimated economic impact is around £330million.

Other examples of local economic development strategies

Innovation and Business Support (Scotland)

The Scottish government is working in partnerships across the public, private and third-sectors and have set up a range of business support programmes and funding opportunities for innovation and entrepreneurship development. The key business and innovation support for SMEs and start-ups include: an investment of up to £120 million, through the Scottish Funding Council, in a network of [Innovation Centres](#) to support collaboration between universities and businesses. Scotland's CAN DO Innovation Forum set up to help improve Scotland's innovation landscape through a set of shared outcomes. The [Scottish EDGE Fund](#) (£1.5 million) a competition fund for the most promising and impactful early-stage start-ups/entrepreneurs.

Impact: To date, the Edge Fund competition has received 2,705 applications and awarded £11m to 313 Scottish businesses. It is calculated that this has created 1,381 jobs, over £104m in additional turnover, and leveraged over £82m in additional investment. In November 2018, Scottish Enterprise awarded additional funding of £1m to grow the Edge competition.

Innovate to Save - Cardiff

Innovate to Save was launched in 2017 as a collaboration between The Welsh Government, Nesta and Cardiff University. A second round was launched in 2018. Its aim is to support new ideas that have the potential to generate cashable savings for Welsh public services and improve the quality and impact of service delivery. Cashable savings are defined as those which can be tracked on a budget line, while non-cashable savings are things like improved quality or value to beneficiaries. The first cohort of projects addressed issues such as looked-after children, social care and patient transport.

Innovators can apply for grants of up to £15,000 to test ideas that could improve services and lead to public sector savings. All initiatives are led by a public or third sector organisation, although private sector businesses can partner with them. Projects receive support from Nesta, Cardiff University and the Wales Council for Voluntary Action. Depending on the outcome of the trial period, there is then an opportunity to apply for a loan to implement the idea.

The Preston Model

The “[Preston Model](#)” is using principles of community wealth building and is a partnership between the Preston council, its anchor institutions and other partners within the wider Lancashire area. [Community wealth building](#) is a local economic development strategy focused on building collaborative, inclusive, sustainable, and democratically controlled local economies. In the Preston Model these have included a public pension fund investment, affordable housing, and looking to also develop an energy company and a community bank.

Impact: Between 2013 (when the programme launched) and early-2017, over £70 million of Public Sector spend was redirected back into the Preston economy, and £200 million invested into the wider Lancashire economy. An impact review in early 2017 identified a range of outcomes from the programme, of which the direct financial benefit was only one. The others included: A more democratic economy (“anchor institutions have a greater affinity to the local economy and its residents”), a change in procurement and strategic practitioners, putting Preston on the map as a leader in progressive local economic development (at the national and EU level); and improved collaboration between local institutions.

5. IMPLICATIONS FOR FUND DEVELOPMENT

There is a very clear message from our needs analysis that the need for greatest support lies within the small business sector, not medium-sized businesses. An equally strong message was that this should be a fund that supports and invests in the people and businesses of Southwark, not an entrepreneurship and small business/ social enterprise fund based in Southwark.

In considering the design and development of the Southwark Pioneers fund, we invite the Council to consider:

- **Your appetite for risk**– SME's and start-ups that are most in need of affordable finance and support are inherently a little more fragile. If offering loans to these organisations, the Council are likely to see a higher level of default (limiting the recyclability of funds) or need to offer very favourable repayment terms (payment holidays, repayments over 5-10 years etc.) – or blended with soft/grant finance- all and any of which will then influence if and when finance can be recycled.
- **Long term management requirements**, Resources will be required to design and administer the fund, not just in the selection and disbursement of funding, but in the case of any equity and loan agreements, resource will also need to be secured to manager the loan book/portfolio over a number of years. Unless secured from other sources or partners, the fund will need to absorb these costs. If offering loans, the fund is unlikely to offer competitive or attractive products, if interest rates are too high, limiting the opportunity to use interest repayments to support fund management overheads. In other words, while £1m is a significant sum, a significant proportion may be 'lost' to fund management unless funding is deployed into an existing vehicle, or if there are opportunities to leverage additional funding from other local partners.
- **The balance of non-financial and financial support provision**. Messages around the need for on-demand access to information relating to mentors, workspace, skills, finance and other resources were very clear in our interviews; as prominent as messages around the need for finance. The job in making all these highly valuable and useful resources visible and accessible to the SME community is well evidenced, and yet would require long-term resources to both develop and maintain. How far is the Council willing to consider deploying a significant proportion of the fund to enable greater access to resources and funding opportunities beyond its own?
- **Focus**. While keeping the Council's ambitions high, there is a need to narrow the focus of the fund. This was reinforced by the Advisory Group meeting, and it will be necessary to determine a focus before any modelling of the fund can meaningfully be undertaken. Focus might mean a number of things; including focusing on a particular sector/industry, a particular demographic of entrepreneurs, particular business locations in most need of support, or a particular theme such as health creation across the borough.

As a result of our analysis and inquiry, we have identified three distinct and different approaches the Southwark Pioneers Fund could take. In different ways, these options draw on research findings that show a need to focus on:

- The provision of affordable finance
- Accompanied by forms of non-financial support (be that mentoring or advice on whether taking on debt finance is appropriate for their business)
- Smaller, rather than medium size businesses
- Better connecting the needs of smaller businesses to existing forms of finance, support and networks

These can be summarised as:

Option 1 – Supporting SMEs that align with wider Council Priorities

This would involve securing co-investment with local and national social funders targeted towards a portfolio of ventures that can generate evidenced social value and hypothecated or cashable savings for the borough. This would quite specifically position the fund as a supporter of social and mission-led businesses rather than traditional commercial businesses. As an option focussed on recyclable loans, with the need for evaluation of impact, this option would probably not support the most fragile, or early stage businesses in the borough.

Southwark Council has a mission to support Southwark SMEs but is also required to manage a large number of social and environmental challenges within the borough. The Pioneers Fund would be quite limited in its overall impact on the ecosystem if it simply invested in a portfolio of disparate, different ventures. However, the Council could select a very particular challenge or theme (on an annual basis) and choose to support a cohort of businesses that are all directing their efforts towards tackling that particular challenge; where collectively, and with support and finance from a range of local partners, their activities might make a tangible, systemic impact on an issue. If we take the example (say) of tackling obesity in the borough, support would be offered to a range of smaller businesses whose activities were directed towards healthy eating. This would be attractive to certain local funding organisations, with many more opportunities to co-ordinate corporate and other community and institutional action on this issue; which might sit alongside funding activity and look more like a 'pledge' or a wider campaign.

In terms of modelling a fund of this kind, if we take the assumption of a fund of £1m, and a conservative estimate of £150k for fund disbursement, this would mean potentially supporting 20-30 smaller businesses with loans of between £10,000-£20,000 alongside a smaller portfolio (say 7-10) of larger scale loans for more mature start-ups, who are likely to represent lower risk investments. Loans would be disbursed to SME's who were able to demonstrate that their business was driving social impact that also generated savings to the public purse some way down the line. Some allocation of funding would be used to assess social impact and broker non-financial support from existing providers of support for social ventures or corporate organisations across the borough. Workspace could potentially be free/subsidised for this portfolio, as required. The Council could expect some degree of loan default, and repayments over c.5 years, and taking into account fund management, and they might expect to get c. 60% of their fund returned for recycling over that period.

Examples of similar style initiatives, include the Innovate To Save fund in Wales, funded by the Welsh Government, and designed by our CEO while at Nesta. This fund offers small amounts of grant funding to accelerate initiatives and ventures that are capable of generating cashable savings for local councils. If proven, the ventures are able to access an interest free loan.

The School for Social Entrepreneurs 'match trading grants' are also an example of supporting smaller businesses that have a social mission to reduce their grant dependency and drive entrepreneurial behaviours. The School takes the figure of the previous year's trading and uses that as a baseline. Every pound the business makes over and above that baseline is matched by a grant of £1. Controlled experiments have shown that this model is effective in its aims, with entrepreneurial activity continuing even when the trading grants are removed.

Both these examples involve some deployment of 'soft' money, limiting direct recyclability, however returns on investment are interpreted as either long-term reduction of demand on public services or the value of driving more sustainable, inclusive, social businesses.

Option 2 - Council as Connector

In this model, investment is focused not on providing finance to specific ventures but on supporting the infrastructure to connect small businesses and start-ups to the resources, skills, finance and space they need to thrive. It would be a very different approach to take; requiring significant resource to develop and maintain. However, a repeated message from our interviews is the absence of clear signposting to

information, resources and funding opportunities within the borough. This is particularly acute for very early stage, local businesses, who need to put in significant time and effort to find out and assess what is available to them, with the risk of these efforts being at the expense of actually working on their business. Smaller businesses and start-ups also repeatedly mentioned the desire to access advice and mentors.

In this option, funding would not directly flow to ventures but to an infrastructure that supports a comprehensive triage function to enable:

- SME's to access information relating to hyperlocal, regional and national sources of funding, with clear and accessible descriptions of what will, and will not, be funded
- Access to peer and other sources of mentoring, on demand, and responsive to the needs of businesses
- Location of suitable, affordable places to work. These need to be everything from desk space to semi-industrial and storage space

We envisage this as a digital, collaborative platform, where any start up can enter their needs/requirements and be delivered timely, relevant information. The potential here to bring together – and make visible – the collective, existing resources of the borough and place at the fingertips of those most in need of that information could be incredibly powerful. Resource to develop partnerships would also enable the development of an on-demand mentoring and peer support service, enabling people ready access to people who can help them. Volunteering of this kind across London already exists, but in pockets, and not always straightforward to access. In this option, the Council is a catalyst – using its fund to map and unlock existing resources and mobilise new activity to support smaller businesses. Depending on the costs of development and management of the service, the Council might still expect to deploy loan finance to a range of selected businesses, ensuring that at least some of the fund were deployed direct to the front-line and subsequently recycled.

Option 3 - Council as Investor in its business community

This option would take the form of an investment fund that was focussed on supporting both new, higher risk start-ups as well as later stage organisations, that aligned to Council priorities, who are still in need of appropriate forms of finance to grow. While still recommended that some kind of filter/criteria is applied in order to narrow the focus a little more, this would involve take a flexible approach to both the type of finance provided and the type of entity that could be supported.

In the base case assumption of a £500k fund, this would involve:

- A proportion of the fund deployed into low/no interest loans to early stage start-ups, possibly blended with a layer of grant to reduce overexposure to risk for early stage start-ups.
- A second proportion of the fund issued to larger scale start-ups through the use of a convertible loan note, which accrues simple interest and, after two years, converts either to equity or to a revenue participation agreement, where the balance of the loan continues to accrue interest and is repaid at a fixed percentage of the venture's revenue over five years.

There would be a good deal of flexibility in this approach, enabling decisions on equity over loan repayment to be made on a case by case basis, depending on the relative attraction to the Council becoming a shareholder of businesses within the borough. If the Council favours (fairly) predictable returns over a manageable timeframe, loans are probably a preferred option Fund management over the full length of the loan agreements would still be required, with resource front loaded into the first two years of activity

In this, as in the first model, there is significant advantage in using this unique opportunity to leverage additional funding, through inviting other partners into a consortium, particularly given the need to ensure the right investment governance and investment infrastructure is in place.

APPENDIX: SUMMARY OF RECOMMENDATIONS FOR THE COUNCIL

1. Increase the availability of affordable workspace
2. Consider how rents can be subsidised or free workspace made available to enable ventures to grow within their community, without having to relocate to other areas.
3. Capitalise on the empty space within the borough, for example by looking to models such as the Camden Collective or similar 'pop-up' models.
4. Ensure there is an appropriate range of workspaces available, including looking at what is being done in Lambeth with pop-up parks and the Remakery.
5. Explore routes to providing free/ subsidised/ pro-bono support (of all types) to the SME and social enterprise community, including mentoring and one-to-one guidance.
6. Create a forum to show what support is available to SMEs, including a guide to Council and other funding sources
7. Improve Council engagement with ventures and recognise that the Council is not always the most trusted broker
8. Facilitate the creation of regular communications which signpost ventures to opportunities - these could extend beyond funding and business support opportunities to include local events and chances to engage with the community (both to give back and to help grow local business)
9. Support the creation and development of business-led networks within the borough
10. Where appropriate, look to stimulate collaborations between public, private and third sector organisations in the borough. For example, a tech based social enterprise suggested "*set Southwark up as a hub for digital health, as Digital Health.London and the Health Innovation Network are already based there ... there is just a lack of resources in Southwark CCG to fund local evaluations ... and it could be supported by Guy's & St Thomas Hospitals' / King's College London too*".
11. The mix of grant and loan would depend on the balance of priorities between stimulating more innovation in the borough and supporting the scaling of more established products, services and businesses. Grants are more favourable for piloting, testing and experimenting with new innovative solutions. Loans would be suitable for those who are more established and have more sustainable income streams.
12. Look to improve procurement terms and processes to support SMEs and social enterprises more effectively.

Southwark Pioneers Fund Consultation hub survey analysis

Findings and analysis from the enterprise engagement survey titled: Help shape how we support entrepreneurs and small enterprises.

Consultation period: 20/03/2019 to 19/04/2019

Total number of respondents: 64

Published by Southwark Council: Local Economy Team

* Validity – all questions have not been answered by all respondents. We have made efforts to represent this in our analysis. Any queries on this matter please contact: james.reed@southwark.gov.uk or localeconomy@southwark.gov.uk.

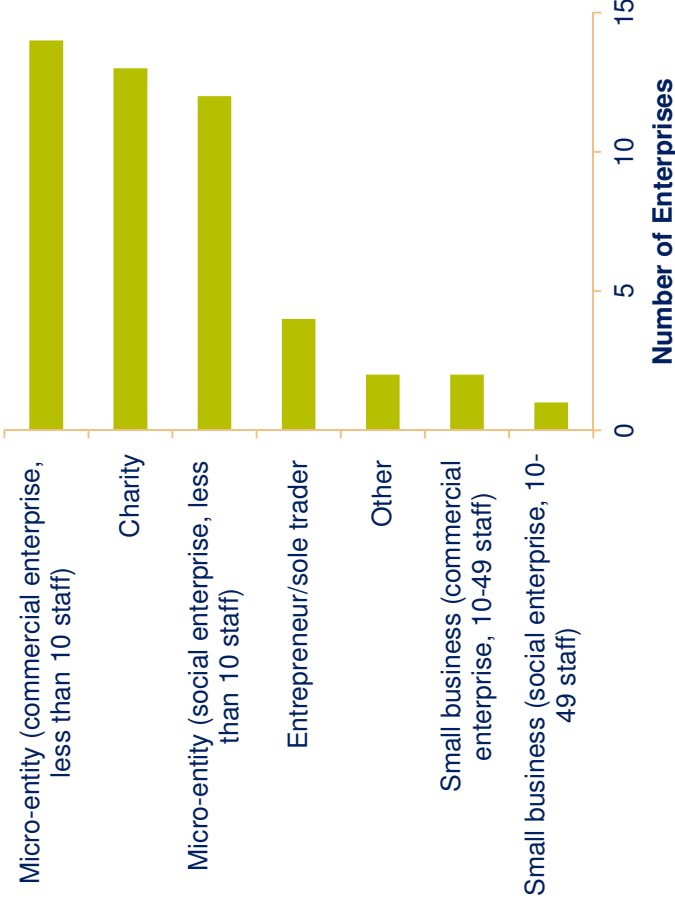


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Section 1 – About respondents' enterprises



Individual respondents:

Respondents who were answering on behalf of their organisation: 73%
 In a personal capacity (i.e. not from a registered business): 27%

Most common types of enterprise;

Micro-entity (commercial): 14
 Charity: 13
 Micro-entity social enterprise: 12
 Entrepreneur/ Sole Trader: 4

Length of time trading in trading:

2 - 5 years: 35%
 1 year - 2 years: 19%
 6 months - 1 year: 16%
 Less than 6 months: 13%
 Pre-trading: 16%

Location:

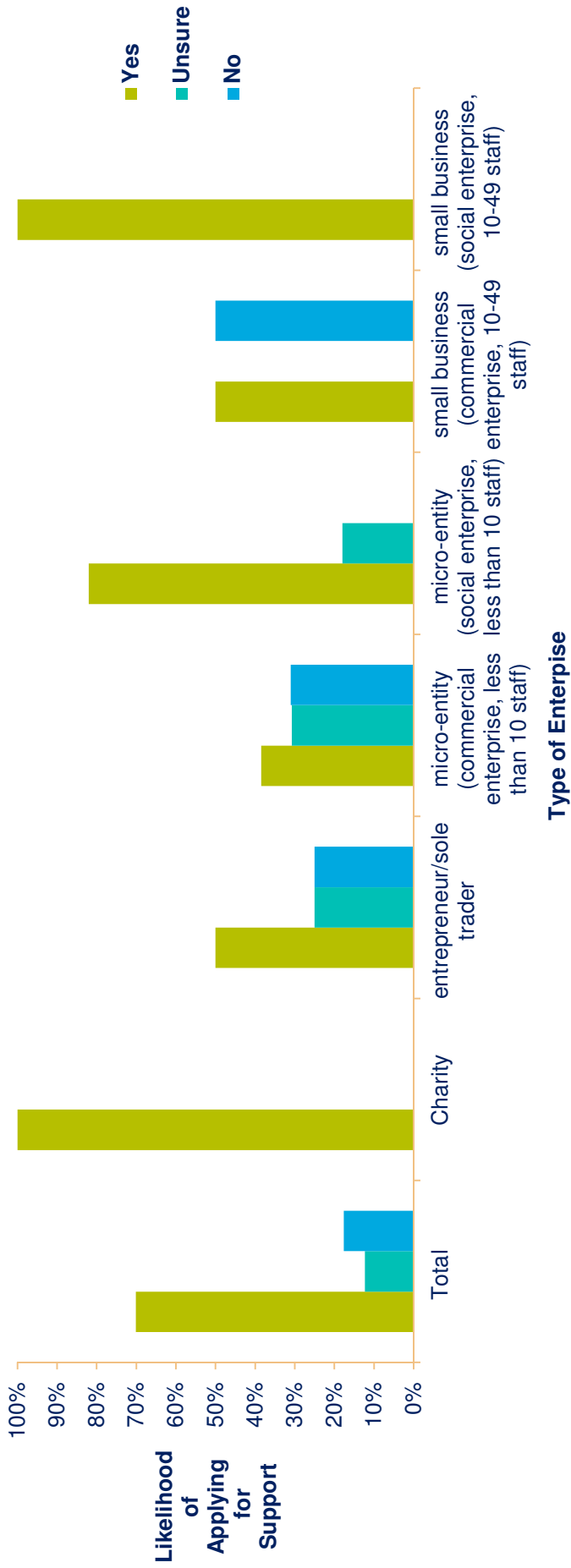
Enterprises based in Southwark: 88%
 In other London Boroughs: 6%

Estimated annual turnover

Nil: 4%
 under £50,000: 20: 42%
 £50,000 - £100,000: 3: 6%
 £100,000 - £200,000: 5: 10%
 £200,000 - £500,000: 10: 21%
 £500,000 - £1 million: 6: 13%
 £1.5 million - £2 million: 2: 4%

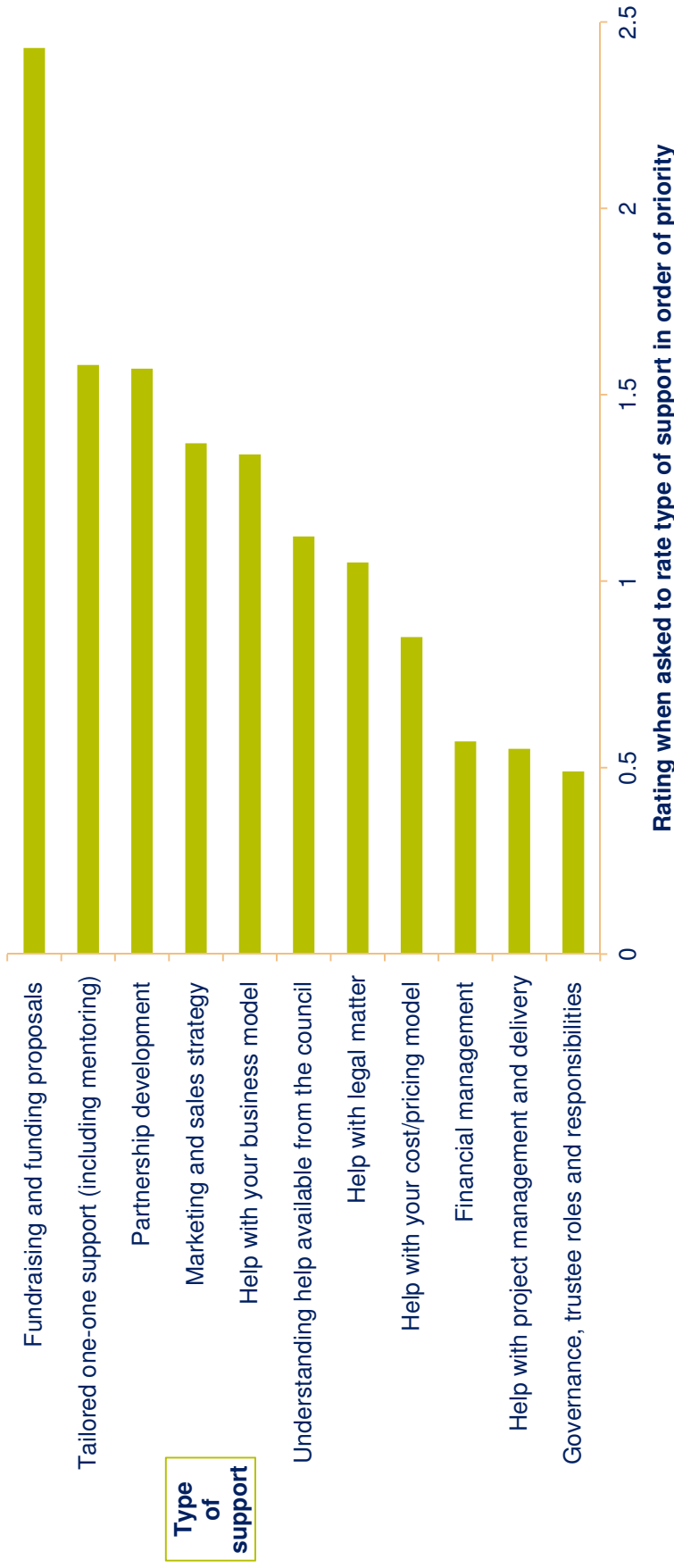
Section 2 – Need and demand for support

Will you apply for financial and/or non financial support over the next three years?



The total 'yes' column shows that 43 respondents (70%) will be applying for support in the next three years, this shows that there is a demand for the support that the Fund will offer. We then asked what was **preventing** them from applying for current support (if they answered no or unsure). The main theme was that they were *not aware of what support is available* (6 comments, 50%). This suggests a requirement to invest in strategies to raise awareness when the Fund launches.

Most needed type of support



There was some differentiation between type of support need and type of enterprise:

- Charities prioritised help with fundraising and funding proposals, and partnership development.
- Micro entities (commercial) would like to better understand help available from the council and receive support regarding marketing and sales strategy.
- Entrepreneurs wanted tailored one-one support (including mentoring), and support with fundraising and funding proposals
- Micro entities (social enterprise) wanted tailored one-one support (including mentoring), support with fundraising and funding proposals.
- Small businesses would prioritise support with fundraising and funding proposals, and help with governance.

Need and demand for workspace support

When asked if respondents would seek to receive affordable workspace support at some point over the next three years; 44% said yes, 27% were unsure and 29% said no.

The most popular types of workspace required were:

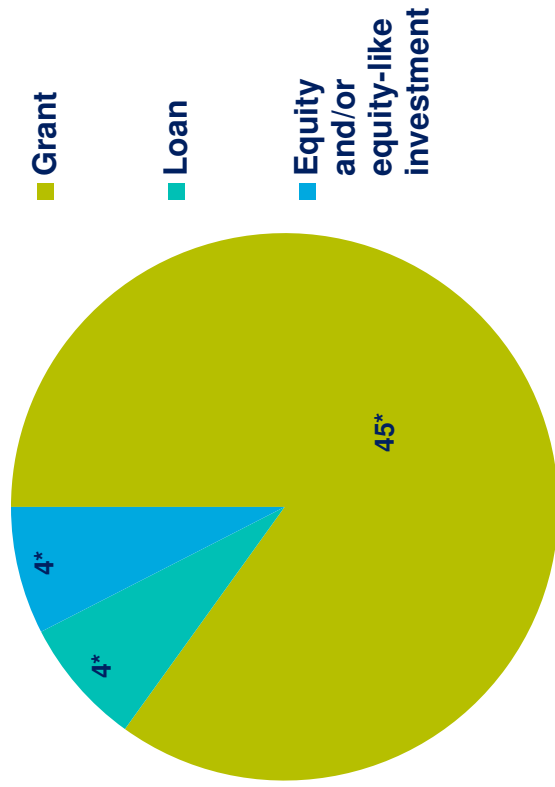
- Light industrial or workshop: 14: 33%
- Office space: 11: 26%
- Co-working (working independently or collaboratively in shared office space): 10: 23%
- Studio: 8: 19%

Respondents were then given the opportunity to give qualitative background to their answers if they answered no or unsure, these are the main themes that arose:

- **Already have it:** 44% - “We already have this in place due to partnership with British Land.”
- **Unaware this help was available:** 17% - “I have no idea what this means, what it is or how to go about it.”
- **Uncertain of business requirements in the next 3 years:** 22% - “Possibly, if we need another base in another area of Southwark...”
- **Nature of Business:** 17% - “My team and I have always worked from home/remotely, but as we grow we may want office space.”

Need and demand for financial support

What type of financial support do you need?



*numbers in pie chart relate number of respondents to this question

The chart shows a need for financial support with 53 respondents answering this question. When given the opportunity explain **why** they wanted financial support the main themes were as follows;

- **Achieve more / growth:** There was a clear ambition to expand services and products across all types of enterprises. Strategies to implement this ranged from hiring more staff, to extending opening hours and buying new equipment.
- **Start their enterprise:** This response came through from respondents in the pre-trading category.

Respondents had a preference for access to grant funding with **85%** of respondents preferring that type of financial support. Qualitative analysis of the answers showed why, with the main reason being a desire not to have to pay the money back and take on debt.

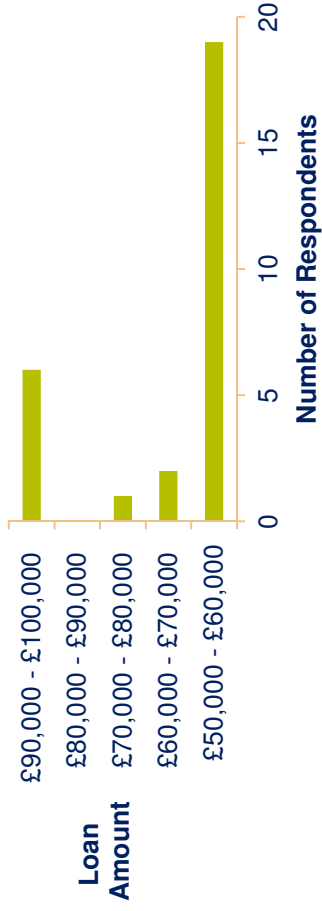
Growth – “Additional funding could be pivotal in aiding cash flow and enabling us to build on the exponential successes of our first year”

Start Up – “I have an innovative idea about coffee roasting and supply but I don’t have funds to start”

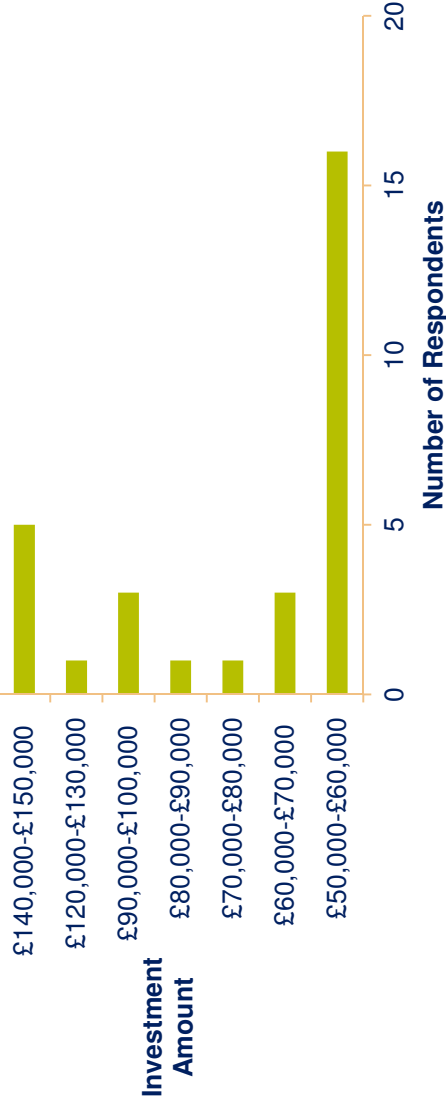
No Debt – “A grant would be better suited to our needs, as the income we generate is limited, so we do not need the additional outgoings of a loan repayment.”

Demand for loans and equity type investment

If you were applying for a *loan*, what amount would you apply for?



If you were to apply for *equity and/or equity-like investment*, what would you apply for?



Loan Amount: Breakdown

£50,000 - £60,000 – 19: 68 %
 £90,000 - £100,000 – 6: 21 %

- Of the enterprises preferring the larger amount, these were larger organisations and more likely to be commercial.
- The comments on this question show that there is also an appetite for **smaller loans**, if loans “up to £10,000” was an option 12% of total respondents would have opted for it.

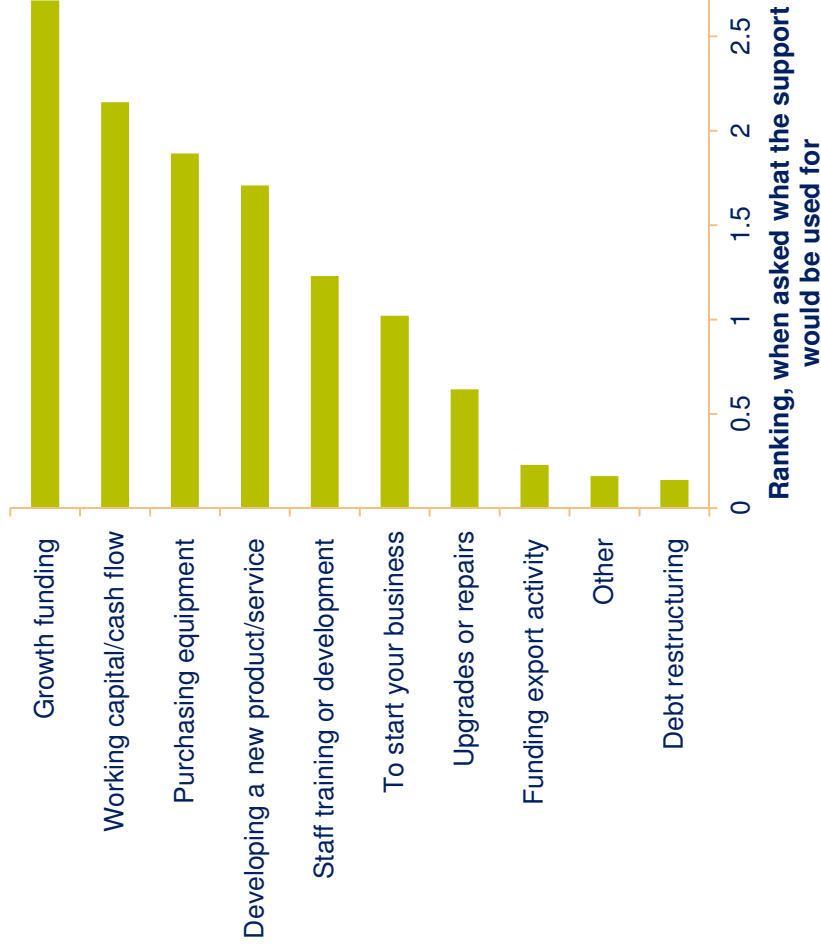
Equity Amount: Breakdown

£50,000 - £60,000 – 53 %
 £140,000 -£150,000 – 17%

- 100% of the Charities that wanted this type of investment wanted £50,000 -£60,000.
- 60% of the small commercial enterprises wanted investment of over £120,000.

There were 28 respondents to the loan question and 30 for the equity question regarding the amount respondents would apply for if they were to apply for this type of financial support. This differs to the previous slide regarding what type of financial support respondents consider they need.

Respondents' use of financial support



The graph shows that financial support would be used primarily to invest in growth funding and to contribute towards working capital.

We then asked participants what **other types of support** would be useful (further to what the Fund intends to offer). Respondents identified the following areas:

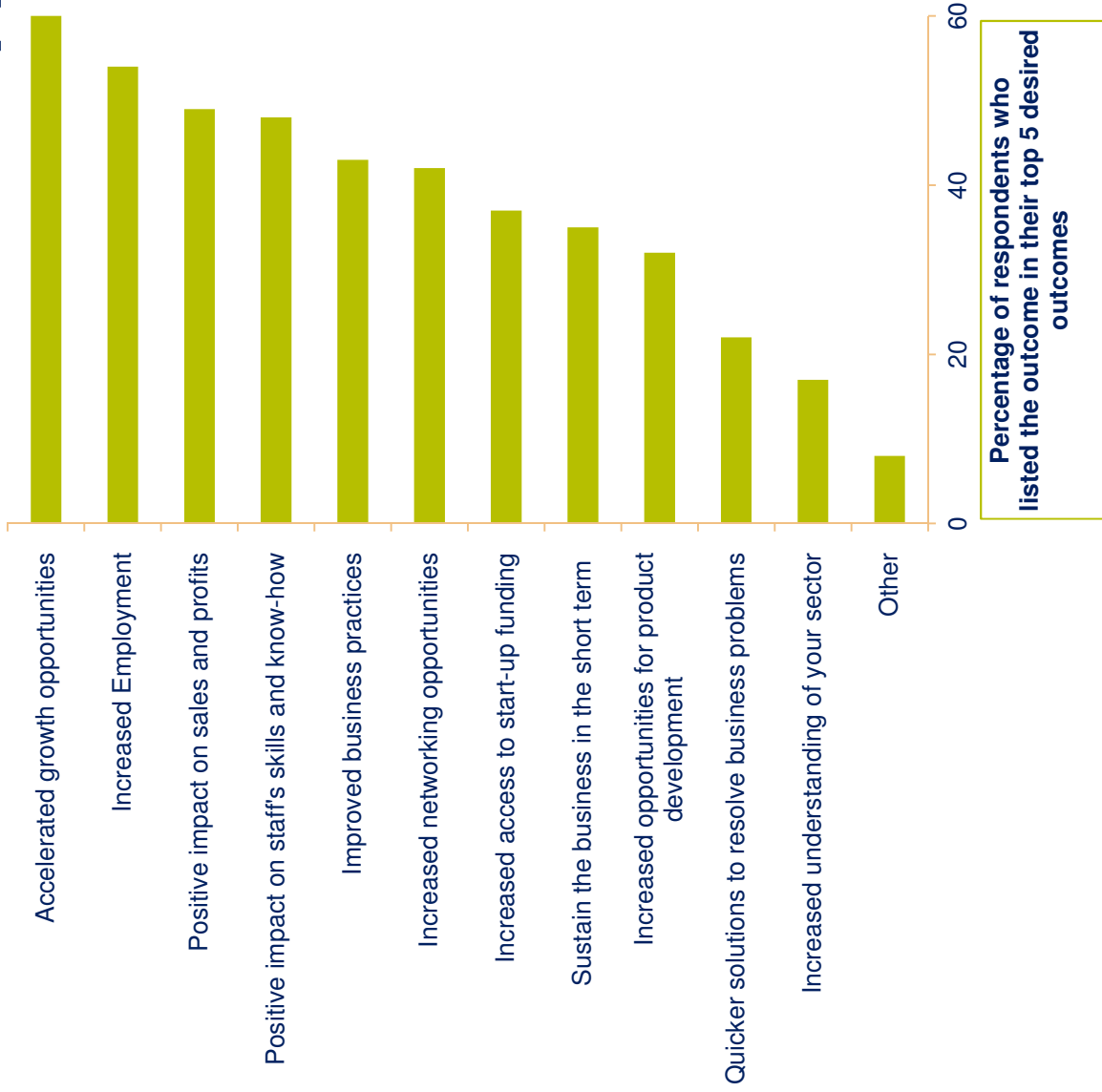
- 1-2-1 mentoring advice (37%)
- A desire for the fund to promote networking and collaboration between local enterprises (30%)
- Access to a key contact within the Fund (15%)

In summary, respondents wanted a **human element** to the Fund. There was a clear understanding that just being given money alone wouldn't be sufficient to support the enterprises, they wanted someone to advise and steer them through the process of growing their operations.

Themes

- **Access to key contact for the fund:** "Open, honest and trusted relationship building with the Fund to allow for genuine mutual learning, development and opportunities to maximise impact for all. This could be provided by grantees, for example, having a key contact at the Fund throughout the term of the grant."
- **Mentoring / list of contacts:** "Giving people money without support is risky - for them and for the council! Investing in tailored support means the enterprises are likely to survive longer, and be in a position to really generate wealth in the borough not to mention repaying loans."

Desired outcomes from financial and/or non financial support



This reinforces previous findings that the support from the Fund would be used to pursue growth opportunities. Increased employment was second most desired outcome with 54% of respondents wanting to see it as an outcome of the support provided to them.

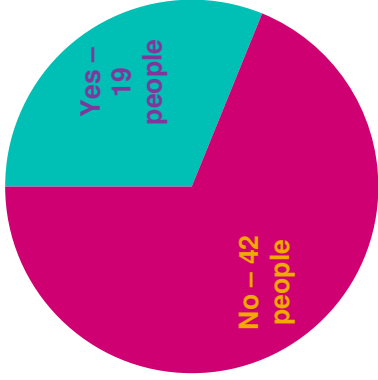
Comments show the altruistic nature of some of the enterprises and the desire to have more of a positive social impact as a consequence of the support.

“Funding would enable us to expand and improve our work with residents of the Borough.”

“Secure the financial future of the charity and continue to deliver and improve employment, benefits and entrepreneur support.”

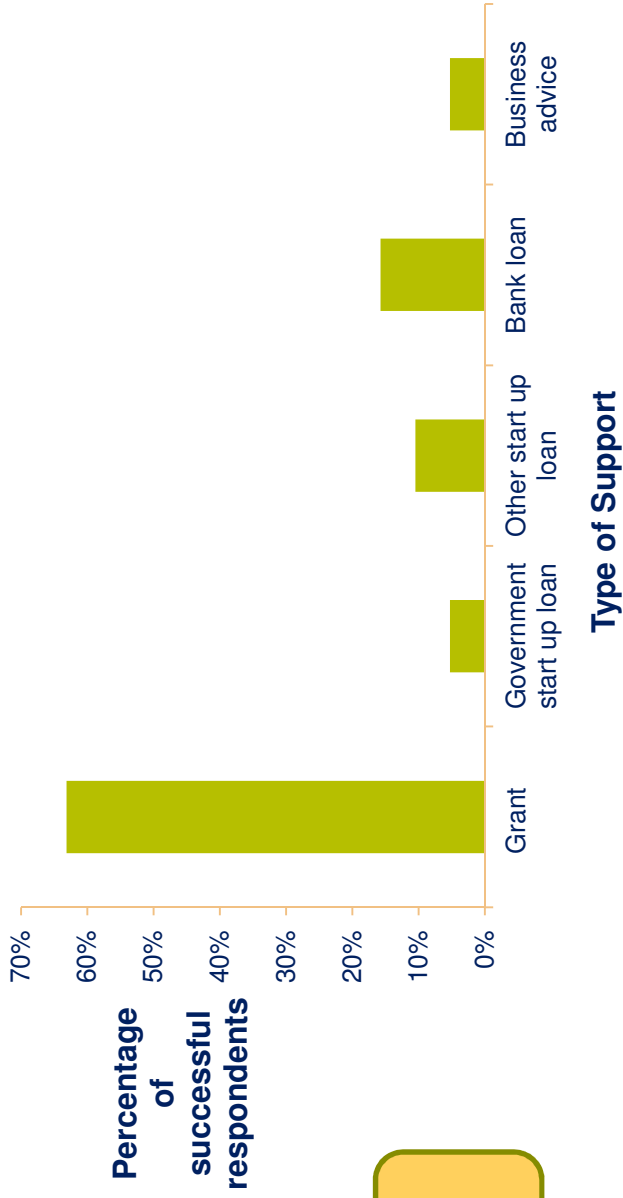
Previous financial and/or non financial support sought

Have you applied for support before?



Of these applications **52%** were successful and **48%** were unsuccessful.

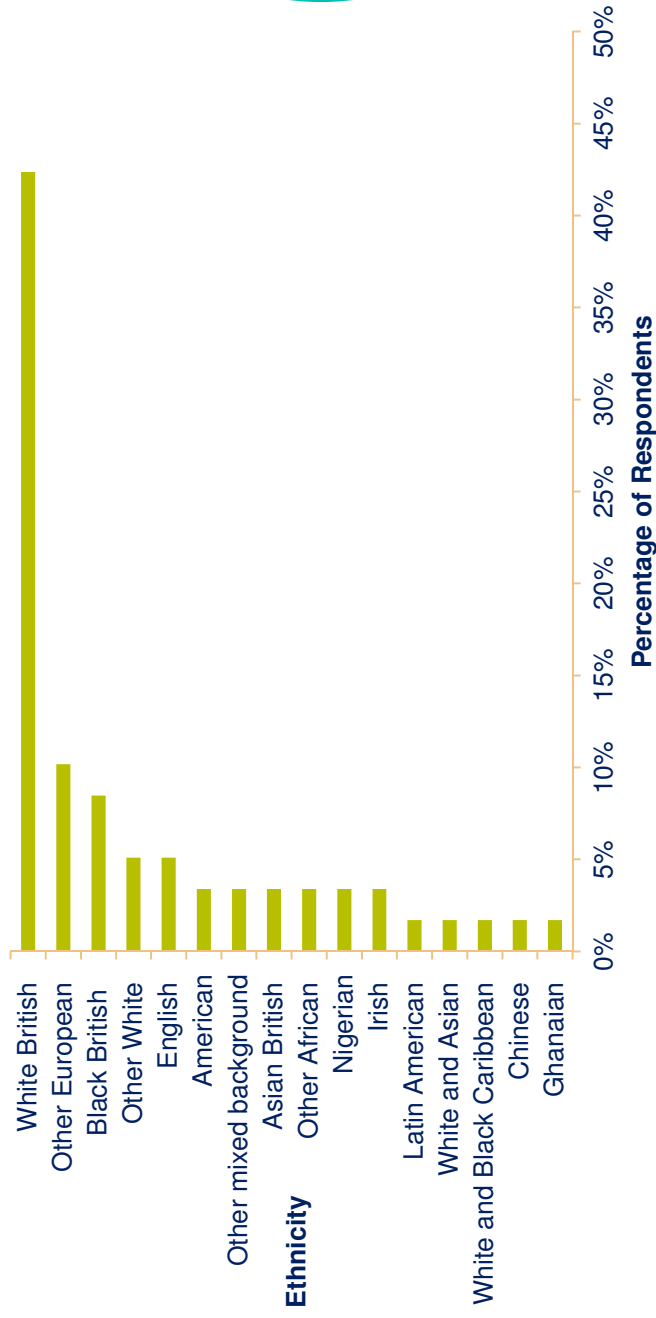
If successful in applying for support, what type of support did you apply for?



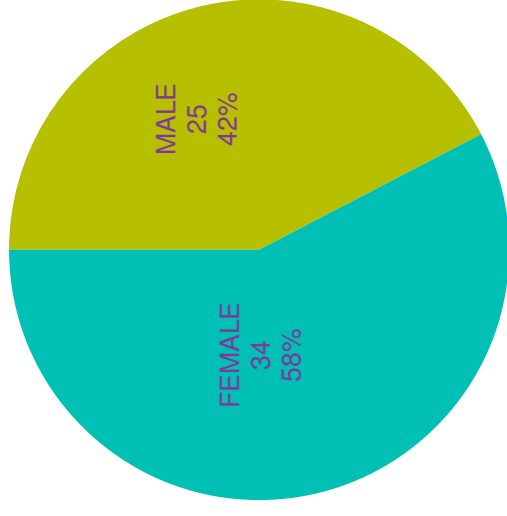
With 31% of respondents having applied for funding before and a 52% success rate, this means that only 16% of respondents have been successful in securing support previously. This suggests a need for help with 'funding / fundraising proposals' which was highlighted as the most needed type support in a previous question (see slide 4). Enterprises have also shown a desire for *non financial* support such as 'tailored one-one advice' or help with 'partnership development' (see slide 4). However, only 6% of respondents who have received support before have had this particular type of support.

Section 3 - Equality and diversity

Ethnicity of respondents



GENDER



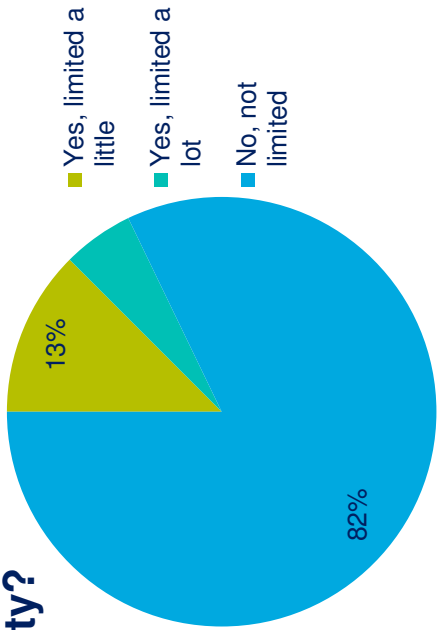
AGE

- 16 - 17 - 1
- 18 - 24 - 4
- 25 - 34 - 18
- 35 - 44 - 13
- 45 - 54 - 8
- 55 - 64 - 14
- 65 - 74 - 2

The ethnicity of respondents largely reflects the make up of the borough. Just over half (54%) of Southwark's population is of white ethnicity, a quarter (25%) black and a third of Asian (11%) or other (10%) ethnicities (JSNA factsheet 2018-19, see Appendix). The median age of the borough is 33.1. In this survey, it is 41.8. Females are well represented in this survey, and comments show that they are attracted by the flexibility offered by running their own enterprise.

Section 4 - Disability, Language and Location

Do you have a disability?

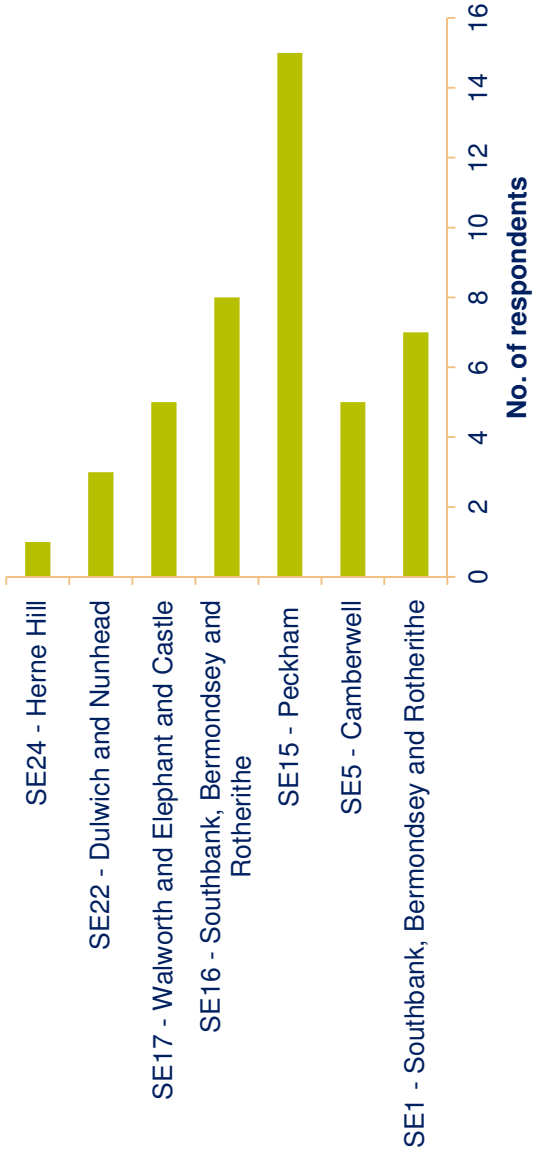


Physical mobility issues and Mental health were identified as the main types of limitations.

English was identified as the preferred language (94%)

Respondents' locations show clustering towards Peckham and the north of the Borough.

Location



Summary and Conclusions

Need for support - This survey shows that respondents in the borough want support for their operations with 70% saying that they will be applying for the Fund's support in the next three years. The main barriers to accessing current support are not being aware of what's out there and not being sure if they are eligible.

Type of support – Funding and help with funding proposals was the most in-demand support. There was also a desire for a human element to the support such as tailored business advice, access to a key contact for the fund and events that encourage collaboration across different industries and within local communities.

Financial support – Grants were the preferred choice of financial support amongst respondents, mainly due to a preference for not taking on additional debt. Respondents expressed a desire for smaller loans and equity-type investment with the £50,000 to £60,000 amount most popular for both types (68% - loans and 53% - equity).

Workspace – A significant number of respondents wanted access to affordable workspace (27: 44% answered yes and 17: 27% were unsure). Some respondents who answered no or who were unsure cited a lack of awareness for this type of support.

What the Fund's support would be used for – The front runner here was “growth”. This suggests respondents want to expand their operations. This was followed by an aspiration to “increase employment” and “increase sales and profits”.

Equality and diversity – The survey's respondents largely reflected the make up of the borough.

Nature of respondents' enterprises - There was a good mix in the type and size of enterprises. Charities (27%) and social enterprises (27%) were particularly well-represented.

Appendix

**Overview of Southwark’s Population JSNA Factsheet., Southwark’s
Joint Strategic Needs Assessment., People & Health Intelligence
Southwark Public Health. July 2018.**

Southwark Pioneers Fund; Technical Analysis

Southwark Council

April 2019

Southwark Pioneers Fund – Technical Analysis

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Southwark Pioneers Fund – Technical Analysis

1. Introduction

Southwark Council (the “Council”) has set a commitment in the Southwark Council 2018/19 – 2021/22 plan to establish the Southwark Pioneers Fund (the “Fund”). Establishment of the Fund is a fundamental component of Southwark’s focus towards inclusive growth, aiming to enable people who otherwise may not have the opportunity to start-up, grow, own and benefit from small enterprises in Southwark. In particular, the Council have identified the following aims:

- ▶ Widen the diversity of people who own and lead enterprises in Southwark
- ▶ Create good quality employment for Southwark residents
- ▶ Generate social and/or environmental value for the people of Southwark
- ▶ Generate a return that can be reinvested
- ▶ Attract wider investment (from beyond the Fund) into the enterprises supported
- ▶ Compliment, connect and enhance wider enterprise support available to people and enterprises starting up and scaling up in Southwark
- ▶ Support the sharing of knowledge and skills

This report provides an overview of key considerations pertaining to the Council’s proposed establishment of the Southwark Pioneers Fund. This includes the provision of data and associated analysis to help inform key assumptions incorporated into the establishment of the Fund. Furthermore, the report identifies a number of key areas of focus upon which decisions will need to be made by the Council relating to the Fund.

Strictly Private and Confidential

In carrying out EY’s work and preparing this report, EY have worked to the instructions of the Council. EY’s work may not have considered all issues relevant to third parties, any use such third parties may choose to make of this report is entirely at their own risk and EY shall have no responsibility in relation to any such use. EY’s work did not include generally accepted auditing, review or other assurance standards and accordingly does not express any form of assurance. Furthermore, EY’s work does not constitute any legal opinion or advice.

Southwark Pioneers Fund – Technical Analysis

2. Business Survival Rates

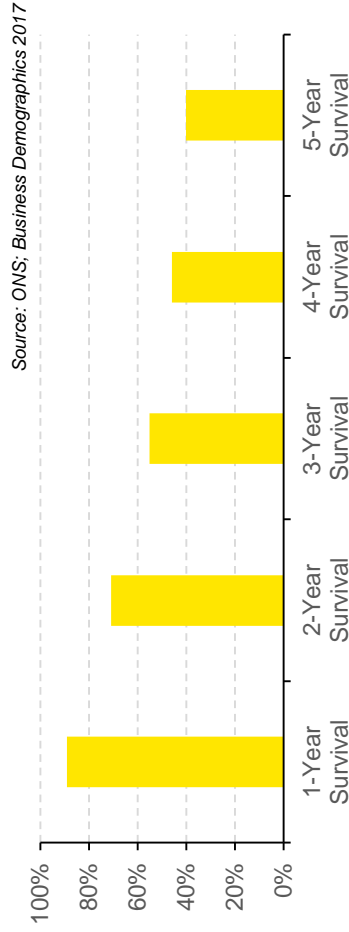
The success of the Fund towards its primary aims is dependent on the sustainability of the entities that it invests in.

Businesses sustainability is determined by a number of factors, including geographic location, sector, macro-economic conditions and management capability.

It is reasonable to conclude the ONS statistics used primarily relate to small business, given the finance required to start a business beyond 10 FTE's.

An assessment of business survival rates in Southwark (Fig. 1) indicates that 89% of new businesses are still in operation after one year of operation. This reduces to a figure of 40% after five years of operation.

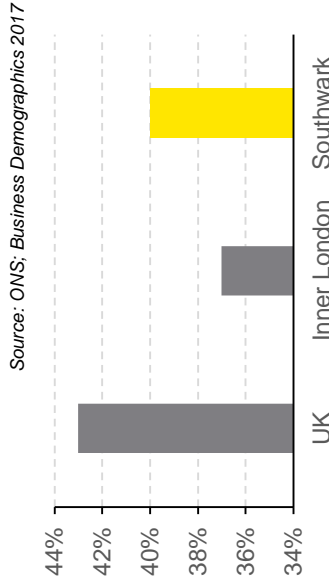
Fig. 1 Business Survival Rates, Southwark



Source: ONS; Business Demographics 2017

New businesses in London tend to have a lower rate of survival when compared to business across the UK as a whole. However, businesses in Southwark tend to have an improved survival rate compared to elsewhere in inner London (Fig. 2).

Fig. 2 Survival Rates Comparison

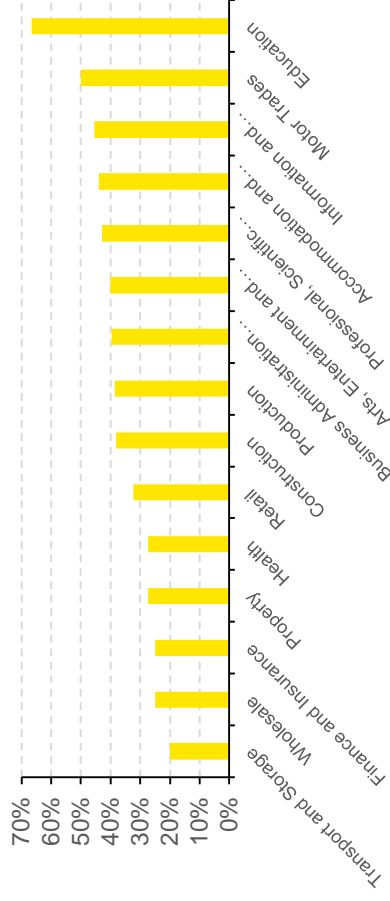


Source: ONS; Business Demographics 2017

Business survival rates vary considerably between sectors. An analysis of such rates within Southwark (Fig. 3) demonstrates that the five year survival rate of businesses in Transport and Storage and Wholesale is below 25%. Businesses in the education sector tended to have survival rates of 67%.

Fig. 3 Business Survival Rates per Industry Group; Southwark

Source: ONS; Business Demographics 2017



Across the UK, the general rate of business survival has worsened in recent years. Whilst the rate of business births continues to exceed the rate of business deaths, 2017 saw a sharp decline in business births, shrinking the gap between the two rates. This is likely to have been driven by a worsening economic environment, causing uncertainty and reducing business investment.

Whilst the analysis suggests that business survival rates may be lower in general than the Council has indicated, there is cause for optimism. The Council can achieve an improved survival rate for the businesses it invests in through an appropriate appraisal assessment. Furthermore, targeted investment and support in the form proposed by the Fund is likely to improve survival rates, with a key reason for business failure being lack of credit and insufficient management capability or expertise.

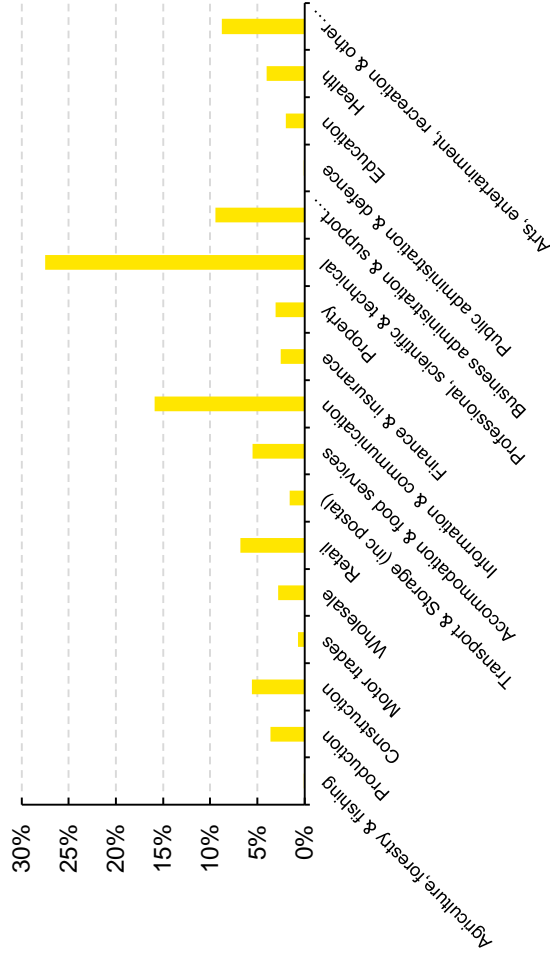
Southwark Pioneers Fund – Technical Analysis

2. Business Survival Rates (contd.)

Consideration has been applied to the degree to which the existing make-up of businesses in Southwark differs from the rest of inner London.

Fig. 4 Proportion of Active Businesses in Southwark per Industry Group

Source: ONS; Business Demographics 2018



As Fig.4 illustrates, the greatest number of active businesses in Southwark operate in the Professional, Scientific and Technical and Information and Communication sectors, with these sectors making up 43% of all businesses in the borough.

Fig. 5 Variation in Total Number of Active Businesses in Southwark compared with Inner London as per Industry Group

Source: ONS; Business Demographics 2018

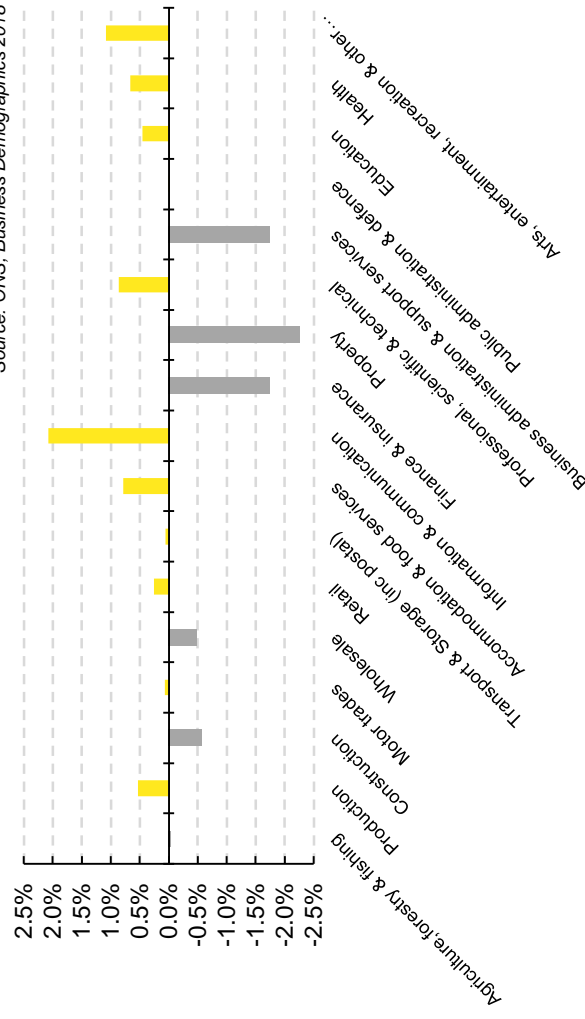


Fig.5 demonstrates how this profile varies compared to the rest of inner London. In particular, Southwark has a far greater number of businesses operating in the Information and Communication sector than other inner London boroughs. However, it has far fewer operating in the Finance and Insurance, Property and Business Administration sectors. Variances in the make-up of businesses in an area can drive differences in business survival rates, with some sectors proving to be more resilient and less volatile than others.

Southwark Pioneers Fund – Technical Analysis

3. Fund Overview

What categories of loan terms (interest rate, default terms, re-payment period and holiday period) and equity/quasi-equity investments would be appropriate to achieve the primary aim of the Fund?

The existing proposed setup of the fund comprises three types of funding mechanism; Grants, Loans and Equity Funding. It should be noted the Fund is also considering quasi-equity investments, a hybrid model, such as convertible loan notes (effectively a loan that can be converted into preferred shares in a later funding round), equity that can be converted into a loan on maturity or revenue participation notes; an unsecured loan where interest payments are determined by revenue performance.

A summary is provided below of the primary considerations associated with each option;

Grants

Example £500k allocation
Assumed 5 grants per quarter; full allocation used by the end of year 5.

Grants can be provided to businesses; these can either be provided on a basis of being spent on a particular purpose (ring-fenced) or without any obligations.

- Highest potential for social value return
- No financial burden applied to businesses
- Can be ring-fenced or targeted for specific purposes
- Overall positive impact on SME's through providing them with increased support, allowing new businesses to thrive in the local economy
- No recyclability of capital in the Fund

Loans

Example; £500k Loan allocation
A 5% Interest Rate on a 3 year, £500k loan with a default rate of 20% would return £433k.

Loans can be provided to business with a variety of terms. Forms of quasi-equity can also be provided, which include loans with share-purchase options.

- Comparatively secure financial return
- Terms can minimise burden placed upon businesses
- Supports recyclability of capital within the Fund
- Overall positive impact on SMEs through providing them with increased support, whilst also enabling SMEs to benefit from total ownership
- Dependent on terms, loans can hamper businesses with onerous debt obligations
- Flexibility on terms can also reduce the return derived by the Council
- The Council's capital may be at risk should the business fail, depending on the security and seniority of the debt

Equity

Example; £500k allocation
5 x £100k investment forecast to be valued at £666k in its fifth year, utilising the following assumptions;
1 Scalable (25% annual growth), 3 Stable (5% annual growth), 1 Failure.

Equity investments can also be undertaken. This would result in the Council becoming a shareholder of the specific entity.

- Have the potential to derive the greatest financial return for the Council
- Provides the Council with a stake in a business, with the potential for greater say in decision making if desired
- Equity investments have low liquidity, requiring a market for sale
- Returns are also dependent on profitability of businesses invested in, with dividends potentially unlikely whilst the business is in investment phase
- The Council's capital is at risk should the business fail

Southwark Pioneers Fund – Technical Analysis

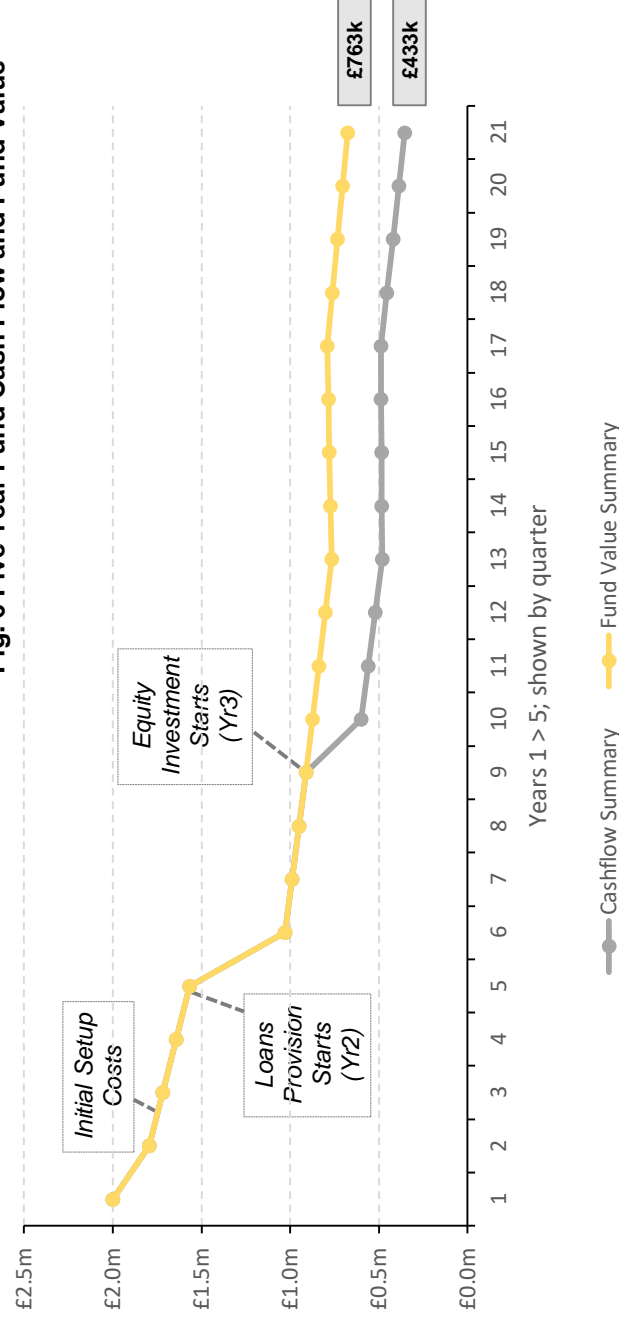
3. Fund Overview (contd.)

What categories of loan terms (interest rate, default terms, re-payment period and holiday period) and equity/quasi-equity investments would be appropriate to achieve the primary aim of the Fund?

The following table employs the setup and operational data (shown within Appendix A), and employs a series of assumptions provided on the Grant, Loan and Equity provision to forecast the fund position across the first five years of its existence;

Starting Cash Position	£2,000,000
Total Outflows (Years 1-5)	
Setup & Operational Costs (Appendix A) *	-£350,000
Business Support Costs	-£500,000
Grants Provided	-£380,000
Loans Granted	-£500,000
Equity Invested	-£270,000
Total Outflows (Years 1-5)	-£2,000,000
Total Inflows (Years 1-5)	£433,240
Cash Position (As at Year 5)	£433,240
Value of Equity Held (As at Year 5)	£330,288
Value of Fund (As at Year 5)	£763,528

Fig. 6 Five Year Fund Cash Flow and Fund Value



Observations

- Anticipated 'Setup and Operational Costs' of £430k across the 5 years reduce the £1.5m originally anticipated to be dedicated to Grants, Loans and Equity investment
- Should Equity investment begin in Year 3, the liquidity of the fund is reduced. This could impact the ability of the Fund to provide loans at shorter notice.
- Business Support costs represent 25% of Fund expenditure; balance to be struck between ensuring value for money, and increasing each business' likelihood of being successful through the Business Support function.
- **Set-up & Operational Costs (Appendix A):** set-up and operational costs included represent set-up costs at the lower range for the fund, as illustrated in Appendix A. Depending on the complexity of the fund, set-up and operational costs could be as high as £1.22m over the five-year period.

Southwark Pioneers Fund – Technical Analysis

4. Equity & Loan Terms

What categories of loan terms (interest rate, default terms, re-payment period and holiday period) and equity/quasi-equity investments would be appropriate to achieve the primary aim of the Fund?

Prior to considering terms it seems critical to evaluate the differences between the three different funding mechanisms, the legal documents employed when injecting finance and being cognisant of the role that the Fund will need to play depending on whether grant, loan or equity is chosen.

Mechanism	Comment / Detail	Grant	Loan	Equity
Primary Driver for Choice of Mechanism	Social Funder, Lender, Angel Investor	No financial return expected. Could enforce outcomes reporting.	Debt financing focussed on generating interest returns.	Fund wishes to take an investor relationship. The Fund may wish to play an 'active shareholder' relationship; having a role in strategy and planning.
Key Financing Document	Legal Document for Funding	Grant Agreement	Term Sheet	Share Agreement
Proposed Allocation Band	Increasing loan values should increase due diligence, and credit score of applicant	£0 > £5k To benchmark this proposed value; 1 FTE paid a full year at London Living Wage cost is £19k.	£50 – 100k In an example of a £1m loan fund; utilising this range a maximum of 20 businesses could be supported (£1m / £50k). £50k would equal 2.5 FTE's.	£75 – 150k IN an example of a £1m equity fund it should be noted that a maximum of 14 businesses could be supported (£1m / £75k). £50k would equal c. 4 FTE's.
Allocation Ceiling	Expected allocation of funding	£500k	£1m; likely at least £500k will be earmarked for loans	
Level of Financial Return	Observations on the different range of financial returns.	£0 Financial Return	Financial return limited by interest rate	Wider financial return range; depending on business valuation, and any dividend arrangements. Dividends typically unlikely in first 3-5 years, as business seeks to reinvest profits toward growth.
Realisation of Financial Return	Consideration towards the complexity of the Council deriving a return from the fund	n/a	Low Complexity; low risk mechanism with returns that are time-bound. Credit status of applicants is particularly key.	High Complexity, investment viewed as longer-term and financial return dependant on a wider range of factors, such as; <ul style="list-style-type: none"> - The business being successful / gaining market share - An agreed valuation point for the business at the time of sale, in order to value shares - A market or individual operating with the appetite to purchase shares for this business, or appetite for buy back of shares by the business itself.

Southwark Pioneers Fund – Technical Analysis

4. Equity & Loan Terms (contd.)

What categories of loan terms (interest rate, default terms, re-payment period and holiday period) and equity/quasi-equity investments would be appropriate to achieve the primary aim of the Fund (contd.)?

Funding Mechanism	Comment / Detail	Grant	Loan	Equity
Costs Associated with Realising Gain	<i>Social Funder, Lender, Angel Investor</i>	n/a	Requires the setup of a loan term sheet, and credit collection agency for escalating and recovering any payments that are not made.	<ul style="list-style-type: none"> - Increased administrative costs for share sales . - Arrangements for Dividends
Restrictions	<i>Notes on any entity structures that could prohibit investment</i>	n/a	n/a	<p>If a business is currently setup as a sole trader, a limited company would need to be incorporated to create a share structure that could be owned by the Fund.</p> <p>Providing a CIC is set up as a company limited by shares, it can issue shares to raise capital, including the option of employing multiple share classes. A CIC limited by shares can pay dividends up to a 'dividend cap'.</p>
Note on Valuations	<i>For equity / share sales a valuation point would need to be agreed</i>	n/a	n/a	<p>Business valuations is a complex area for the Fund to consider. Noting requirements for readiness above, a valuation would need to be developed for the business – three common models exist;</p> <ol style="list-style-type: none"> 1. Discounted Cashflow – Forecasting future cashflows for the business 2. Market Approach - Comparable Company Analysis or reviewing precedent transactions 3. Cost Approach – Cost to build or replace <p>This is often technical work where specialist support could be required.</p>

Southwark Pioneers Fund – Technical Analysis

4. Equity & Loan Terms (contd.)

What does this mean when evaluating terms for the various investments?

The authority should ensure the investment allocation framework evaluates the appropriateness of the funding mechanism being requested, alongside the traditional evaluation of business objectives, credit worthiness or payback periods.

A Loan Term Sheet should apply the following considerations :

Typical Term Sheet	Definition	Considerations for the Fund
Annual Interest Rate	<i>Interest charged on the loan</i>	A fixed annual interest rate is typically applied based on the outcomes of due diligence. Social Finance usually fixed at a range between 3.5%-6.5%, informed by secured status, however actual interest rates are dependent upon a number of factors including the current Bank of England base rate and factors related to security and level of risks associated with each loan.
Term	<i>Length of loan</i>	Range between 2-5 years, typical repayment 3 years (not including payment holiday). Term should be based on cashflow forecasts of the business, and when return on investment begins, rather than Borrower request. Any assessment of an applicant should undertake detailed analysis on their ability to repay. Several ratios are of key interest; <i>Debt Service Coverage Ratio</i> – This is the businesses annual net income divided by the repayment; usually a minimum of 1.1 <i>Interest Coverage Ratio</i> – If existing margin is lower than the interest repaid on an existing loan this would be a key flag on ability to repay, unless a significant jump in margin can be shown.
Secured / Non-secured	<i>If loan is secured against an asset; in the event of default the fund would have first obligation to the asset. An asset could be equipment, facilities, products or equity.</i>	Typically Social Finance does not secure against assets. However not all loans are to entities with a social purpose; would evaluate securing a loan, where purpose is; <ul style="list-style-type: none"> - Purchase equipment - Purchase products with proven risk of resale - Business turnover to loan value ratio low (less than 3 to 1) - Business less than 6 months old
Flexibility	<i>A payment holiday is often appropriate for Social Financing. Early repayment fees are rarely charged with Social Finance.</i>	A payment holiday should be offered of between 3 and 6 months dependent on; <ul style="list-style-type: none"> - Loan Purpose; if for recruitment of staff 3 months could be appropriate - A given loan threshold being requested - Payback period is excessively long Early repayment fees should not be charged.
Standby Facilities	<i>An additional facility can be provided to give additional facility headroom. Often a charge is applied if not used.</i>	If employed typical standby facilities are 2% non utilisation fee charged pro-rata for undrawn facility.

Southwark Pioneers Fund – Technical Analysis

4. Equity & Loan Terms (contd.)

Typical Term Sheet	Definition	Considerations for the Fund
Fees	<p>Typical loan fees are; <i>Up front arrangement fee usually to cover legal fees (payable up front)</i> <i>Total loan drawdown fee (payable across the length of the loan term)</i></p>	<p>Up front fees should be charged based on recovery of legal costs associated with the term sheet (Typically £500). Typical total loan drawdown fees are 0.5% to 1%.</p>
Warrants	<p><i>This is a right to buy company shares at a fixed price in the future.</i> <i>This could include a debt for equity swap.</i></p>	<p>Can be applied when loaning to a commercial organisation; worth consideration for SPF if a high-growth firm.</p>
Covenants	<p><i>Covenants can be positive or negative.</i> <i>Positive covenants include sharing financial statements, or meeting local regulations.</i> <i>Negative covenants stop particular activities.</i> <i>Incurring new debt for example.</i></p>	<p>SPF should seek to build a standard set of covenants that reflect the purpose of the loan, whilst protecting their loan principle in the future. For example, does SPF view repayment should be prioritised ahead of other creditors? Does the Council expect to be consulted in the event the business wishes to take on further debt? Covenants should be considered for changes in financing, equity, leadership and potentially major strategic changes. As noted on slide 5; covenants are a key area to drive Social Value principles; whilst punitive a Social Financier could request immediate repayment of a loan is a Social Value is not achieved or reporting of Social Value is missed for example.</p>
Events of Default	<p><i>The activities that allow a lender to suspend, terminate or recall a loan. For example non-payment.</i></p>	<p>In the event of default SPF should ensure their rights, as likely the only major source of finance, are prioritised. As a lender with social motives however, consideration should be given to whether creating prioritised repayment over other local creditors is appropriate. For a Fund of this nature, it is unlikely that a local authority would expect personal guarantees from Directors for loans, although they may wish for some form of security which may be enforced on a case by case basis.</p>
Material Adverse Change	<p><i>Details the escalation and remedial activities when particular events occur.</i></p>	<p>SPF should evaluate a series of triggers for this clause, and the subsequent activities that should take place. For example in the event revenue projections are not met, SPF is informed and remedial action taken.</p>

Southwark Pioneers Fund – Technical Analysis

4. Equity & Loan Terms (contd.)

The following terms are relevant for consideration when providing finance for equity;

Typical Equity Terms	Definition	Considerations for the Fund
Share Type and Value	<p>Term sheet will define a stock type, and specify the number of shares purchased and value per share paid. Stock types include;</p> <ul style="list-style-type: none"> • Common – Single shares. • Preferred – Priority over common stock if company is purchases, or liquidated and assets resold. • Convertible – A loan that can be converted into shares at a given time in the future. 	<p>Early investors in start-up entities typically insist on preferred stock which should be the default option for SPF.</p> <p>Considerations on the level of equity sought by SPF should be based on a range of financial, strategic and economic factors. Primary considerations include:</p> <ul style="list-style-type: none"> - Sector and market company operates within - Growth rate to date of company - Investment risk - Payback period <p><i>Typical equity expectations range from 5-40% based on revenue, pre and post money valuations and risk.</i></p>
Anti-dilution rights	An event where further shares are created, usually at a lower valuation.	SPF should seek to protect themselves against anti-dilution through either; leading involvement in the decision on issuance of new shares or ensuring they are able to participate in further rounds.
Participation Rights	Permission to participate in future financing rounds, usually at current share ratios	SPF should ensure they are able to participate in future financing rounds; if for example they have a 25% equity stake in the business, 25% of any future shares should be available for purchase by SPF.
Right of refusal and co-sale	Clauses to provide a first option to buy shares where investors wish to sell.	In the event there are multiple investors in the existing business, SPF should ensure they have a right of refusal if other investors wish to sell.
Dividends	Decisions on dividend payouts are made by the Company's Directors. They maintain trust between the business and investors, there is no obligation by management to pay.	SPF should clarify with management the likely dividend policy and target timeframes alongside expectations regarding reinvestment of profits.
Board Structure	Social Financers often request a seat at the Board of the Company / Enterprise, offering additional support in the objectives of the finance and assurance on company strategy.	SPF should evaluate where they can play an active role as a Board member. This should be where they see the entity playing a key societal role, or where the use of the entity is to drive
Liquidation Rights	The ownership of Shares entitle an investor to partial ownership of assets.	In the event of purchase, bankruptcy or sale SPF should ensure their rights as a Shareholder are prioritised. As a lender with social motives however, consideration should be given to forcing prioritisation over creditors or banks based locally.

Southwark Pioneers Fund – Technical Analysis

5. Set up and operational costs

There are a range of factors that determine potential set up and operational costs. Consideration is applied to initial set up requirements along with options for on-going and operational matters.

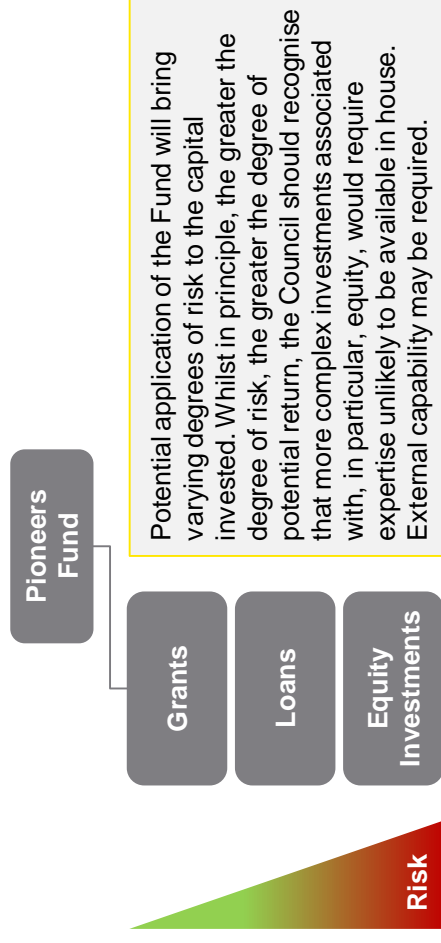
Set Up

- A primary phase of set up would need to consider the following tasks:
 - The establishment of a robust **Fund Strategy**, providing clarity of purpose and proposed means through which objectives will be achieved.
 - The development of comprehensive **appraisal frameworks** that allow the Fund to effectively scrutinise proposals to support decision making.
 - The development of an appropriate **marketing strategy** which incentivises SME's to apply for funding. The strategy must achieve a match between what SME's want or need and what the Council is willing to provide from the Fund.
 - The development of an appropriate **performance reporting framework**, focused on risk, social value, return and outcomes.
 - Drafting of required **legal documentation**, including loan or grant agreements and potential terms of reference.
 - Administrative tasks**, including the setting up of a bank account and associated processes.

Operational

- Operational and on-going tasks will depend on the proposed support model being considered. As a minimum, the following tasks are required:
 - Review of proposed investments** for grant, loan or equity funding, ensuring suitability, compliance and risk.
 - Administration of proposed investments**, including communication and progression with proposed fundees. Investments can be sourced proactively or via an application process. Ongoing administration of the fund assumes self-sufficiency through online administrative tools.
 - Portfolio monitoring and reporting**, providing clarity to stakeholders on risk, social value, return and outcomes.
 - Value Gateways** – As the fund reaches various portfolio milestones; £250k, £500k it would be appropriate to evaluate the overall credit risk and whether bandings or loan terms should be revisited.

The means through which the Council ensures effective capability to review and scrutinise potential funding should be determined on a risk basis:



Business Support

We understand that the Council is keen to establish the provision of business support to successful applicants to the Fund. This should be aimed at enhancing the degree to which the Fund achieves its broader social value and financial objectives but should also acknowledge that some businesses may just desire advice rather than financial support.

It is recommended that the Council aims to commission external capability for the provision of such advice. However, it is further recommended that the Council aims to ensure the external provider provides support in an integrated manner with the Council's core services, potentially founded on a hub and spoke type model.

The costs incurred in the set up and operational phase of the Fund are dependent on whether the Council pursues a Loan and Equity or just a Loan model. They are also impacted by the Council's risk appetite and desired level of in-house versus external support. In appendix A we have provided a breakdown of estimated setup costs, with one-off costs ranging from £170-£260k (9% - 13% of total fund value), and £100k to £200k of ongoing costs (5% - 10% of total fund value). Further clarity should be sort as the Council enhances the proposed details of the initiative. Overall, it is important to note that at least 17.5% of the total fund value (for either/or a loans or grant fund) is expected to be utilised on both set-up and operational costs.

Southwark Pioneers Fund – Technical Analysis

6. Social Return

The Fund aims to provide a wide array of benefits to the wider community of Southwark beyond just generating a financial return for the Council.

There are two primary mechanisms through which the Council can drive improved social value and social return from the Fund. Firstly through building an allocation framework which properly evaluates the business social value credentials. Secondly through embedding social return within key aspects of the funding agreements, ensuring the Council is moving toward an operating model and fund strategy that is closer aligned to a social financier than corporate lender.

The steps to create an effective fund allocation framework that properly embeds social value are shown below;



Over the subsequent two pages, social value principles are explored, alongside key social value measures that the Council should include within the development of its allocation framework, ensuring that organisations contributing to wider social and public goals are positively scored.

How can the Fund display the attributes of a Social Lender?

Within the Payment Terms (Q3) a number of references are made to aspects of the Loan or Equity terms where the Council may wish to demonstrate increased flexibility than that of a Corporate Lender, examples include;

Payment Holidays – Generous Payment Holidays are often employed by Social Finance, Bridge Ventures and others in the, facilitating space for the business to drive ROI.

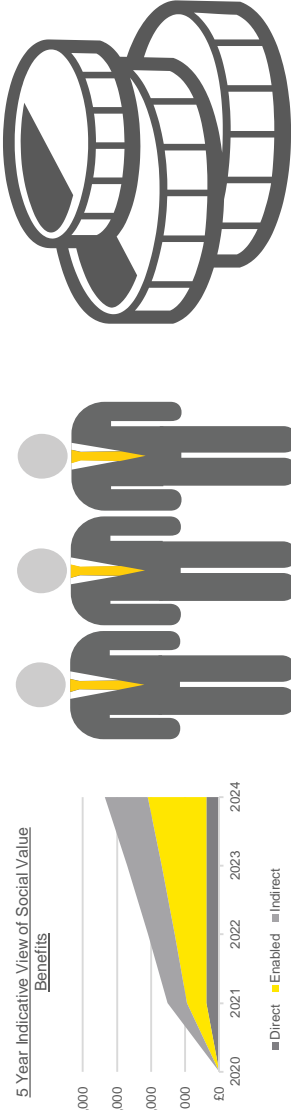
Interest Rates – Lenders seeking to drive social outcomes often lend at interest rates more favourable than the market, noting the state aid risk (Q7).

Creditor Funds – Social investors will recognise that the risk of business failure to the wider public and private sector is high, likely driving different liquidation rights.

Share buyback – For equity schemes Social Lenders will provide more avenues for the business to buyback shares.

Business Support – The fund is proposing a significant level of business support to advise businesses how to scale.

Social Value View – Indicative View on 5 Year Benefits of the Fund



£4.6m

of economic benefits

56

new jobs supported

£400k

in additional business rates

*A detailed breakdown of the assumptions employed are shown within Appendix B

Southwark Pioneers Fund – Technical Analysis

6. Social Return (cont.)

The Fund aims to provide a wide array of benefits to the wider community of Southwark beyond just generating a financial return for the Council.

Primarily, an assessment of social value should be made against the Council's proposed objectives for the Fund. Furthermore, it is recommended that analysis of social value does not necessarily need to be monetised to aid decision making and monitor performance. Rather, a robust assessment of a number of key performance indicators, linked to outcomes, should be established to track the broader social value of the fund. These can be weighted according to Council priorities if required. A number of suggestions are provided below:

Social Value Principle	Potential Value Measures	Potential Fund Value
Diversity of business entrepreneurs	<ul style="list-style-type: none"> ▶ Diversity (across a range of measures) of business entrepreneurs in Southwark; informed by the ongoing Equality Impact Assessment. 	An assessment should be undertaken as to where diversity shortfalls exist within the entrepreneurs operating within the borough. Investment and associated support can then be targeted towards improving diversity in these areas.
Creation of quality employment	<ul style="list-style-type: none"> ▶ No. of local people employed for whole year ▶ No. of employees taken on who are rehabilitating offenders ▶ No. of jobs created for people with disabilities ▶ Number of vacancies and subsequent jobs for residents of Southwark ▶ Jobs adhering to the Living Wage ▶ Qualitative collection of job satisfaction feedback from employees 	The Fund should aim to increase vacancies and subsequent jobs for within the businesses supported. This should include ensuring that employers adhere to Living Wage obligations. The Fund should also aim to improve job satisfaction amongst employees of business supported.
Increase the skills and capabilities of Southwark residents	<ul style="list-style-type: none"> ▶ Number of qualifications or qualification equivalents ▶ Number of apprenticeships or Youth Contracts started and completed ▶ Local Schools and college visits ▶ Utilisation of Training Hubs or Centres of Excellence within Southwark / Southwark based providers ▶ Operate in innovative or growth sectors within the Borough 	The Fund should seek to ensure value measures are embedded into the framework that are evidenced by gaps from a labour market intelligence survey.
Improve business resilience across the Borough	<ul style="list-style-type: none"> ▶ Business survival rate of businesses supported ▶ Total amount spent by business on Southwark supply chain ▶ Number of voluntary hours donated to support Southwark enterprises 	The Fund should assess business survival of businesses supported, aiming to ensure it trends above the geographic sector average.
Attract inward investment to the business and Borough	<ul style="list-style-type: none"> ▶ Subsequent investment in business achieved ▶ Inward investment strategy ▶ Engagement with key Local Economic Partners; GLA, London Councils, RTI 	An assessment should be made of subsequent investment from external parties to the businesses.

Southwark Pioneers Fund – Technical Analysis

6. Social Return (cont.)

The Fund aims to provide a wide array of benefits to the wider community of Southwark beyond just generating a financial return for the Council. (cont'd)

Social Value Principle	Approaches to scoring value	Potential Fund Value
Increase business connectivity	<ul style="list-style-type: none"> ▶ Collaborative knowledge sharing sessions held 	The Council should measure attendance at collaborative knowledge sharing sessions held between entrepreneurs and associated providers and Council officers.
Impacts on wider Public Sector costs	<ul style="list-style-type: none"> ▶ Number of employees recruited from complex or sub-optimal backgrounds, such as those who missed education, or offenders. ▶ % of people taken on who are long-term unemployed ▶ No of employees taken on who are not in employment, education or training (NEETs) 	For effective measurement of Social Value, early identification of these measures and reporting them through the monthly governance route will be key to added value.
Contributing toward a clean, positive environment	<ul style="list-style-type: none"> ▶ Signatory operates a Carbon Credits or notional carbon credits regime ▶ Involvement in carbon monitoring / commitment ▶ Promote a cycle to work or relief travel scheme ▶ Voluntary time dedicated to support of green spaces 	The Council must drive business behaviour toward the environment through the funding agreements provided. Early expectations and measures will ensure any applicant can be confident they can deliver against requirements.
Broader Social Impact	<ul style="list-style-type: none"> ▶ Positive impact on health and wellbeing; for example through providing a forum for isolated people to socialise or encouraging healthy lifestyle. 	The framework could promote investment through its framework weighting in initiatives to engage people in health interventions (e.g. smoking, obesity, alcohol) or stronger community investments through weighting entities operating in this area.

EY's Societal Return on Investment methodology helps to appraise the social value of initiatives. This identifies that an assessment should be made of:

- ▶ Direct financial return
- ▶ Economic impact – including increase in economic output and tax revenues
- ▶ Social and personal return – including improved wellbeing, job satisfaction

Southwark Pioneers Fund – Technical Analysis

7. Loan Defaults

The viability of a repayment or interesting bearing loan portfolio within the Fund would need to consider potential default rates.

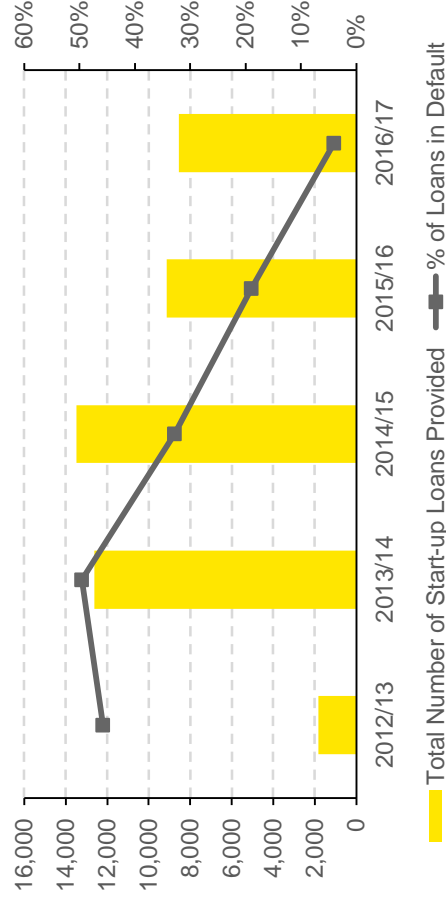
Loan default rates are driven by a number of factors, including business performance, macro-economic conditions and the type and security of loan in question.

The array of factors which can contribute to a default rate mean that it is difficult to assess with clarity as to what an expected default rate would be. However analysis has been undertaken of the default rate of the Start Up Loan initiative, a Government backed initiative with a similar proposed objective to the Fund.

The analysis (Fig. 7) indicates that over a five year period (2012 to 2017), the default rate ranged from 4% to 50%. It is assumed that the improved default rate over recent years has emerged through an enhanced process of scrutiny towards the suitability of applicants.

Fig. 7 Start Up Loans; Number of Loans and Associated Default Rate

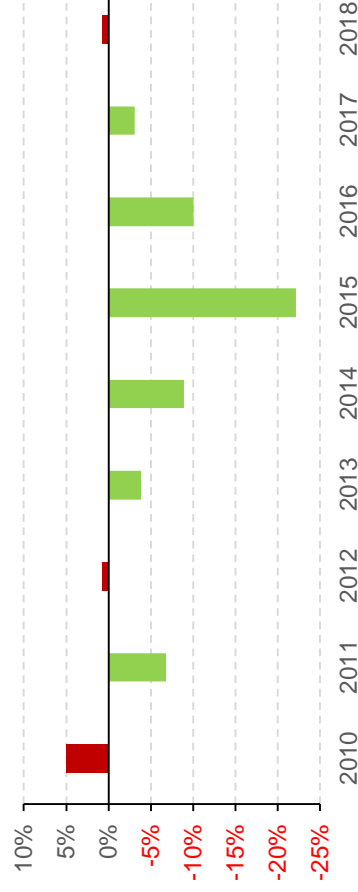
Source: Business Advice



At a macro level, an assessment of the trend of loan default rates indicates worsening performance for small business across the UK. Likely driven by uncertainty and difficult trading conditions, the change in default rate turned negative in 2018 following a trend towards that since 2015 (Fig. 8)

Fig. 8 Average Change in 3 Month Loan Default Rate; Small Businesses

Source: BoE Corporate Lending 2018



The Council's assumed potential loan default of 20% is considered reasonable. However, the following areas of focus should be applied to the Council to minimise default risk:

- No particular types of commercial enterprise are likely to default more than others. However, enterprises with no credit history and less robust cash and revenue streams are more likely to default.
- A robust credit assessment of applicants can help to identify those who are deemed more likely to default.
- The Fund can achieve security through securing debt against applicant's assets, or via personal guarantees; although due consideration should be made towards the degree to which this aligns with the Fund's social objectives.
- The Council should assess default risk at a portfolio level, adjusting risk appetite in response to default rates and macro-economic conditions.

Southwark Pioneers Fund – Technical Analysis

8. Decision Making and Regulations

There are a number of options available to the Council with regards to hosting or structuring the Fund. None of these necessarily remove decision making authority from the Council.

The Council may wish to establish a dedicated fund vehicle to host the Fund. This is the recommended approach, allowing a clear distinction of responsibilities between the Fund and the Council, and reducing the likelihood of conflicts of interest or strategic duplication.

This would likely be in the form of a company limited by shares or a limited liability partnership. Neither of these arrangements would require the Council to cede decision-making powers, although this will depend on the governance arrangements established between both parties. There are a number of potential commercial benefits that may be derived through establishing a separate vehicle to host the Fund.

The Council may also opt to establish a funding framework thereby setting aside capital within its own organisational boundaries. This is likely to be the most cost effective option and also ensures the retention of decision making authority with the Council. However, speed of decision making may be impacted and will be dependent on the Council's internal governance procedures.

The Council will need to have due consideration to the following financial regulations with respect to the proposed initiative:

- ▶ The Local Government Act (LGA) 2003 provides Local Authorities with the power to invest for any purpose relevant to its functions, or for the purposes of the prudent management of its finances.
- ▶ Section 1 of the Localism Act 2011 (The General Power of Competence) enables a Local Authority to make loans under this Act. This power is not relied upon as a specific power to invest but rather to supplement Section 12 of the LGA 2003.
- ▶ Public bodies are advised to have regard to the credit ratings issues by all three main agencies (Fitch Ratings, Moody's, & Standard & Poor's Ratings Services) and to make their lending decisions based on their ratings. Ratings should be kept under review and 'review watch' notices acted upon.
- ▶ The CIPFA Code of Practice on Treasury Management is clear that organisations should not rely solely on credit ratings when determining where to invest and that they should make use of generally available market information, such as the quality financial press, market data and information on government support for banks.
- ▶ The Council will need to be mindful of unfamiliar regulations were they to consider more innovative corporate structures, such as company accounts requirements.

Southwark Pioneers Fund – Technical Analysis

Appendix A: Set Up and Operational Cost Breakdown

Estimated proposed costs are provided for elements of the required set up and operational tasks. These proposed costs are indicative and should be seen as a guidance for the Council to begin to consider budgeting requirements. The quantum of cost will be heavily dependent on a number of variables which are as yet unknown.

Activity	Proposed Indicative Cost (estimated)	Comment	Cost impact of running Loan vs. Equity Fund
Fund Strategy Development	£30k	One off set up cost (One-off set up cost expected to be delivered in-house)	Same cost anticipated
Appraisal Framework Development	£30k	One off set up cost (One-off set up cost expected to be delivered in-house)	Same cost anticipated
Marketing Strategy Development	£20k	One off set up cost – depends on the scale of proposed marketing strategy (One-off set-up cost expected to be delivered in-house)	Same cost anticipated
Reporting Framework Development	£20k - £60k	One off set up cost - dependent on complexity and breadth of proposed monitoring and reporting	At lower range for Loan only, higher range for Equity & Loan
Legal Documentation Drafting	£20k - £40k	One off set up cost. The inclusion of potential equity investments will be a driver to this cost	At lower range for Loan only, higher range for Equity & Loan
Administrative Set Up	£10k - £40k	One off set up cost – should this include potential online presence and/or portal for the fund, this will be a driver to this cost	At lower range for Loan only, higher range for Equity & Loan
Investment Review	£20k - £90k	Annual operation cost – dependent on number and complexity of potential investments	At lower range for Loan only, higher range for Equity & Loan
Investment Administration	£20k – £60k	Annual operation cost – dependent on number and type of investments	At lower range for Loan only, higher range for Equity & Loan
Portfolio Monitoring and Reporting	£20k - £50k	Annual operation cost – dependent on complexity and breadth of proposed monitoring and reporting	At lower range for Loan only, higher range for Equity & Loan

One off fees total £130k at lower range, and £220k at upper range. Ongoing fees total £60k at lower range, £200k at upper range.

Southwark Pioneers Fund – Technical Analysis

Appendix B: Social Value Estimates

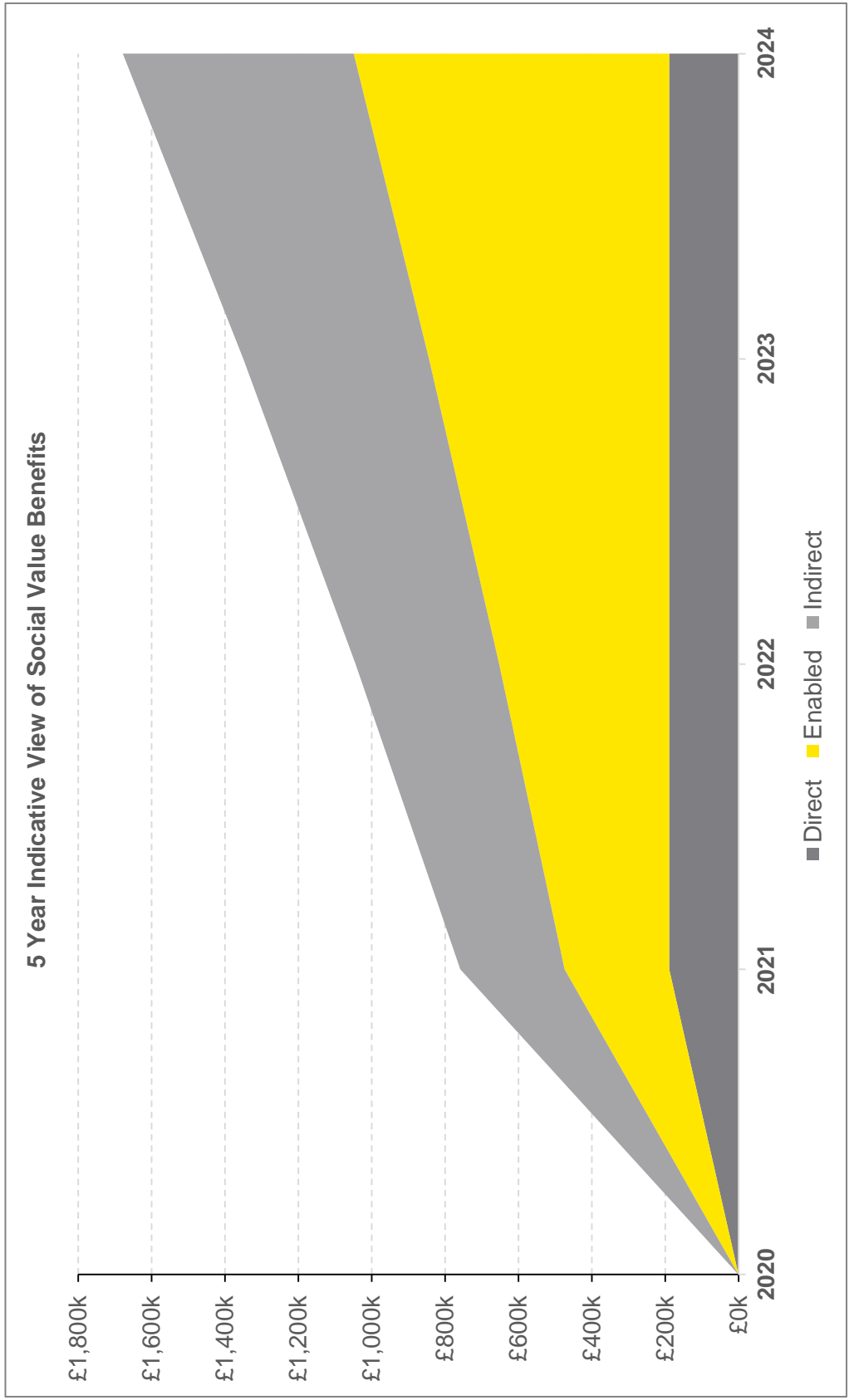
The key assumptions for the indicative view of Social Value benefits are listed below;

Assumption	Proposed Indicative Cost (estimated)	Comment
London Living Wage for all new employees	£19,890	It is assumed for the purpose of this analysis that all new employees are paid, on average, the London Living Wage
Multiplier Effect	1.6	It is assumed for this analysis that the impact of an additional £1 spent on employment from the Fund will result in additional economic impacts of 60p due to new workers also becoming consumers and therefore contributing further to the local economy.
Proportion of Fund money spent on staff wages	66.66%	It is assumed that two thirds of all fund grants, loans or equity is utilised to increase headcount within micro-businesses. This will be heavily dependant on the sector the business operates within, and the Funds final allocation framework which could for example prioritise job creation.
Annual growth rate of firms that 'scale'	20%	This is in-keeping with the Council's assumptions.
Annual growth rate of firms that are 'stable'	5%	This is in-keeping with the Council's assumptions.
Proportion of firms that 'scale'	20%	This is in-keeping with the Council's assumptions.
Proportion of firms that are 'stable'	60%	This is in-keeping with the Council's assumptions.
Proportion of firms that become insolvent	20%	This is in-keeping with the Council's assumptions.

Southwark Pioneers Fund – Technical Analysis

Appendix B: Social Value Estimates (cont.)

The graph below shows the estimates of Social Value benefits delivered by year and split between Direct, Enabled and Indirect benefits. Direct benefits are those attributable directly to Fund money – where Fund money itself is providing increased economic activity. Enabled benefits are the benefits assumed to be achieved by the growth of firms receiving Fund money. Indirect benefits are wider economic benefits achieved through positive externalities of greater economic activity both directly and indirectly coming from the Fund.



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Appendix 4

Indicative eligibility and assessment criteria for the Fund

Eligibility criteria for the Fund

1. People will be eligible to apply for access to the Fund's business support and networks if they:
 - are an entrepreneur based in Southwark, or a commercial or social enterprise based in Southwark, or a revenue-raising charity based in Southwark, or they want to start or scale-up their business in Southwark; and
 - are registered with Companies House, or registered as a charity, or registered as a sole trader with HMRC; and
 - have fewer than 10 employees; and
 - are at an early stage in their business life cycle (0 – 5 years trading) and/or they want to grow and scale.
2. If people want to apply for loans (and blended loans) or equity and/or equity-like investment, in addition to the above, they will need to commit to work towards meeting the Good Work Standard (including alignment with our Southwark Council values and being able to demonstrate that they can pay their employees at least the London Living Wage).
3. For equity and equity-like investment people will also need to demonstrate a strong commitment (and provide a robust business case in support of their commitment) towards scaling-up their enterprise.

Assessment criteria for the Fund

4. Once people have been assessed as eligible to apply for the support they are seeking, their application will be assessed and prioritised in line with the Fund's inclusive growth focus.
5. For business support, networks support and grants being sought through the Fund, assessment will involve looking at the:
 - strength of the team (the right level of capacity)
 - strength of the idea (uniqueness of value proposition and level of innovation, strength of business model)
 - capacity to create social value outcomes
6. In addition to the above assessment criteria, the following criterion will apply for loans/blended loans/equity/equity-like investment being sought through the Fund:
 - ability to repay the loan or, in the case of equity and/or equity-like investment, to generate a return to the Fund.

Southwark Pioneers Fund: Equality analysis, May 2019

Section 1: Equality analysis details

Proposed policy/decision/business plan to which this equality analysis relates	Southwark Pioneers Fund: Establishment		
Equality analysis author	Rebecca Lampe		
Strategic Director	Stephen Gaskell		
Department	Chief Executive's Department	Division	Local Economy Team
Period analysis undertaken	March 2019 – May 2019		

Section 2: Brief description of policy/decision/business plan

1.1 Brief description of policy/decision/business plan

This equalities analysis relates to the decision to establish the Southwark Pioneers Fund to support local entrepreneurs and commercial and social enterprises, and revenue-generating charities, and contribute to inclusive growth in Southwark.

The Fund will provide a suite of support across the following levers:

- Business support
- Networks
- Affordable workspace
- Finance

The decision maker is the Cabinet Member for Jobs, Business and Innovation.

Section 3: Overview of potential Fund recipients and key stakeholders consulted

2. Service users and stakeholders	
Key users of the department or service	<p>Users of the service will be people who are based in Southwark and who are aspiring to set-up their own business and/or scale and grow their existing business in Southwark.</p> <p>Support will be provided in the following areas:</p> <ul style="list-style-type: none"> • Business support (a tailored programme of support delivered by a provider working closely with paid-for and pro-bono local Southwark businesses/organisations) • Networks (increasing access to existing networks and establishing a potential network for local businesses) • Affordable workspace (increasing access to affordable workspace through prioritising access for Fund recipients) • Finance (providing grants and loans/blended loans, and possibly equity and/or equity-like investments). <p>In considering the equality impact of the Southwark Pioneers Fund, information has been reviewed from the following sources:</p> <ul style="list-style-type: none"> • Small Business Survey (SBS) • Global Entrepreneurship Monitor (GEM) • Reports such as: <ul style="list-style-type: none"> https://www.enterpriseresearch.ac.uk/wp-content/uploads/2013/12/ERC-White-Paper-No_3-Diversity-final.pdf and https://www.ippr.org/files/publications/pdf/Small-firms-giant-leaps_Apr2014.pdf <p>In addition, public consultation was held via the Council's consultation hub throughout March and April.</p> <p>These sources provide information on entrepreneurship and business ownership for the following protected characteristics:</p> <ul style="list-style-type: none"> • Race/Ethnicity • Sex • Age • Disability <p>Data from the above sources indicates that likely users of the Fund will include people who fall within a number of the identified protected characteristic groups.</p>
Key stakeholders were/are involved in this policy/decision/business plan	<p>In October 2018, the Council commissioned the Young Foundation to undertake research to ensure that the Southwark Pioneers Fund is developed in a way which is truly responsive to the needs of SMEs, social enterprises and start-ups. Southwark Council commissioned the research to explore their needs and priorities, and consider the implications for the Fund's development.</p>

	<p>To ensure that the development of the Fund was progressed in line with local expertise and guidance, the Southwark Pioneers Fund Advisory Group was established in October 2018. The Group met monthly throughout the duration of the development of the Fund's strategy, and consisted of nearly 20 members from across the commercial, voluntary and social landscape in Southwark.</p> <p>Key messages from the local needs research and the Advisory Group meetings (as well as in-depth one-to-one discussions) directly informed the strategic direction of the Fund.</p>
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Section 4: Pre-establishment equality analysis

<p>Age - Where this is referred to, it refers to a person belonging to a particular age (e.g. 32 year olds) or range of ages (e.g. 18 - 30 year olds).</p>
<p>Potential impacts (positive and negative) of proposed policy/decision/business plan</p>
<p>It is likely that in line with other similar Funds (e.g. Start-Up Loans), the age limit for the Fund's support will be 18 years. This is because of the need to register with HMRC as a business and banking requirements.</p> <p>Consultation hub survey findings indicate that there is likely to be a higher take-up of this type of support by those aged 25 – 44 and 55 - 64.</p> <p>Research indicates that those aged 25-34 in the UK are significantly more likely to be involved in early stage activity than 18-24 year olds and 55-64 year olds.¹</p> <p>There is a strong entrepreneurial culture among young Londoners. However, young people face challenges when starting their own businesses and the success rate of young people's businesses is below that of older cohorts. There is, however, a wide range of support on offer for young people who are considering starting their own businesses. Help should be given around raising awareness of this support.²</p> <p>In the case of young people, the consultation survey had responses from 5 people under 24 years old.</p>
<p>Equality information on which above analysis is based</p>
<p>Analysis of consultation feedback Research</p>

¹ Global Entrepreneurship Monitor, United Kingdom 2017 Monitoring Report, page 9.

² Supporting young entrepreneurs, A London Councils Member briefing, February 2013, page 1.

Mitigating actions to be taken

Where anyone below age 18 requests support through the Fund, they can be referred to the Start Ups in London Libraries (SiLL) project as the age limit for this support is 16 years.

Marketing and promotion work can be done with 18 – 24 year-olds through the business support programme provider to encourage them to apply and raise awareness about the support on offer through the Fund (and other support available in the borough).

The SiLL project can also act as a referral pipeline for 18 – 24 year-olds who may be ready for the Fund's support.

Disability - A person has a disability if s/he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.

Possible impacts (positive and negative) of proposed policy/decision/business plan

People who have disabilities face specific barriers to entrepreneurship in particular. Specific barriers include accessing start-up capital, lack of relevant business knowledge and skills, and lack of confidence.³

While research is limited on policy support for entrepreneurs who have disabilities, the OECD found that support should recognise the individual's very particular needs and specific capabilities, and should to be implemented alongside complementary measures to address disadvantages associated with other socio-economic statuses.⁴

Consultation feedback found that 18% of respondents identified as having a disability. Physical mobility and mental health were identified as the main areas.

Equality information on which above analysis is based

Research
Analysis of consultation feedback

Mitigating actions to be taken

The Fund's support can be tailored to help address specific barriers that people who have disabilities and those from other more disadvantaged socio-economic statuses may face.

Marketing and promotion work can be done with people who have disabilities through the business support programme provider to encourage them to apply and raise awareness about the support on offer through the Fund (and other support available in

³ <https://www.oecd.org/cfe/leed/background-report-people-disabilities.pdf> pages 7 and 8.

⁴ <https://www.oecd.org/cfe/leed/background-report-people-disabilities.pdf> page 19

the borough). In particular, considerations about access due to physical mobility, and a holistic approach to providing wrap-around support to Fund recipients can be worked through.

Gender reassignment - The process of transitioning from one gender to another.
Possible impacts (positive and negative) of proposed policy/decision/business plan
No specific impacts have been identified or raised in relation to this characteristic. No particular changes have been made relating to this.
Equality information on which above analysis is based.
Feedback from consultation.
Mitigating actions to be taken
N/A

Marriage and Civil Partnership - In England and Wales marriage is no longer restricted to a union between a man and a woman but now includes a marriage between a same-sex couple. Same-sex couples can also have their relationships legally recognised as 'civil partnerships'. Civil partners must not be treated less favourably than married couples and must be treated the same as married couples on a wide range of legal matters. (Only to be considered in respect to the need to eliminate discrimination).
Possible impacts (positive and negative) of proposed policy/decision/business plan
The consultation did not identify any specific issues relating to marital status or civil partnership. No particular changes have been made relating to this.
Equality information on which above analysis is based
Feedback from consultation.
Mitigating actions to be taken

N/A

Pregnancy and maternity - Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.

Possible impacts (positive and negative) of proposed policy/decision/business plan

There are no specific identified impacts relating to this group of women resulting from the decision.

See 'Sex' for further information regarding impacts for women.
--

Equality information on which above analysis is based
--

Consultation feedback.

Mitigating actions to be taken

N/A

Race - Refers to the protected characteristic of Race. It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.

Possible impacts (positive and negative) of proposed policy/decision/business plan

Race as a protected characteristic could relate to any grouping of people irrespective of colour or nationality.
--

There are several factors which are worse for entrepreneurs from particular ethnic groups.
--

In 2017, four per cent of SME employers in the UK were majority-led by people of a minority ethnic group (MEG-led). There was no statistically significant difference in the overall proportion of MEG-led businesses between 2015 and 2017. ⁵

⁵ MEG defined as defined as having a person from an ethnic minority in sole control of the business or having a management team with at least half of its members from an ethnic minority:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/710553/LSBS_2017_cross-sectional_SME_Employer_report.pdf page 2 and 51.

In 2017, five per cent of businesses with no employees were MEG-led. There was no statistically significant difference in the overall proportion of MEG-led businesses between 2015 and 2017.⁶

Difficulties experienced by many micro-enterprises and SMEs in accessing finance, are experienced much more acutely by BAME-owned businesses, regardless of sector. Problems tend to involve obtaining finance from banks and financial institutions, with access to finance being one of the most significant barriers facing MEG-owned businesses.

Credit outcomes can be worse for entrepreneurs from particular ethnic groups. For example: Black African-owned enterprises were found to be more than four times as likely as White-owned enterprises to be denied a loan outright.⁷

Unlike many white-owned enterprises, however, these barriers tend to exist throughout the lifecycle of most BAME-owned enterprises often irrespective of size, sector or track record.⁸

Consultation survey analysis told us the ethnicity of respondents largely reflects the make up of the borough. Just over half (54%) of Southwark's population is of white ethnicity, a quarter (25%) black and a third of Asian (11%) or other (10%) ethnicities ([Overview of Southwark's Population JSNA Factsheet](#), July 2018, People & Health Intelligence Southwark Public Health, at slide 6).

Equality information on which above analysis is based

Consultation feedback
Research

Mitigating actions to be taken

The Fund's support can be tailored to help address specific barriers that people from BAME backgrounds and those from other more disadvantaged socio-economic statuses may face.

Marketing and promotion work can be done with people from BAME backgrounds through the business support programme provider to encourage them to apply and raise awareness about the support on offer through the Fund (and other support available in the borough).

All contracted providers of support through the Fund will be required to have an Equalities & Diversity policy in place.

⁶

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/710029/LSBS_2017_cross-sectional_Non_employers_report.pdf page 2

⁷ https://www.enterpriseresearch.ac.uk/wp-content/uploads/2013/12/ERC-White-Paper-No_3-Diversity-final.pdf page 10

⁸ <https://www.proseworks.co.uk/Downloads/LDA-BMEBusinessreport.pdf> page 40;
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/225762/EMBs_and_Access_to_Finance.pdf page 13 at paragraph 44.

As with other equalities information, race will be monitored and action will be taken to address any significant areas of under-representation where relevant.

Religion and belief - Religion has the meaning usually given to it but belief includes religious and philosophical beliefs including lack of belief (e.g. Atheism). Generally, a belief should affect your life choices or the way you live for it to be included in the definition.

Possible impacts (positive and negative) of proposed policy/decision/business plan

The consultation and equalities analysis did not raise any specific issues relating to religion or belief.

However, users may experience barriers to access services owing to their particular religion or belief. For example, accessing services on particular days / times.

Equality information on which above analysis is based

Consultation feedback.

Mitigating actions to be taken

Contracted providers of support through the Fund will be required to provide access to face-to-face services at varying times. This may enable access to those whose religion / belief may prevent them for accessing services on certain days of the week.

Contracted providers will also be required to have an Equalities & Diversity policy in place.

Contracted providers will also be required to work with other voluntary and community sector organisations in the borough, such as those organisations that provide generalist advice and signposting to specific communities with particular needs, for example, Muslim women.

Sex - A man or a woman.

Possible impacts (positive and negative) of proposed policy/decision/business plan

There is considerable concern and data to reflect that the low rates of participation by women in entrepreneurship constitute a major gap. A 2015 report from the Centre for Entrepreneurs found that if women started businesses at the same rate as men, there would be a million more SMEs in the UK.⁹

⁹ <https://media.nesta.org.uk/documents/the-state-of-small-business-uk.pdf> page 18; https://pureportal.strath.ac.uk/files-asset/440845/Environment_and_Planning_C_Government_and_Policy.pdf at page 335.

In 2017 in the UK, twenty-one per cent of businesses with no employees were majority-led by women, defined as controlled by a single woman or having a management team of which a majority were women. This figure was one percentage point lower than in 2016 and 2015. It was slightly higher than that reported among SME employers (19 per cent).¹⁰

Despite many initiatives to increase the number of women in enterprise, men are still almost twice as likely to start businesses as women. This is a global issue, however relative to other high income countries, UK rates of female business ownership are persistently low.¹¹

Barriers found through a global study by Unilever “Scaling Up Diversity”¹² show that:

- 61 percent of women in start ups do not think there are enough female role models, which are crucial at the ideas stage—before a start-up is founded.
- 42 percent of female founders revealed that funding was one of the most challenging barriers when starting their companies as founders.
- 39 percent of female founders reveal that they frequently encountered sexism whilst running their start ups.
- 42 percent of female founders believed that gender discrimination will stay the same as they scale up.

The majority of respondents to the consultation survey were female, with comments indicating that they are attracted by the flexibility offered by running their own enterprise.

Equality information on which above analysis is based

Consultation feedback
Research

Mitigating actions to be taken

The Fund’s support can be tailored to help address specific barriers that women and those from other more disadvantaged socio-economic statuses may face. This could include the use of accessible role models (through mentoring).

Marketing and promotion work can be done with women through the business support programme provider to encourage them to apply and raise awareness about the support on offer through the Fund (and other support available in the borough).

All contracted providers of support through the Fund will be required to have an Equalities & Diversity policy in place.

As with other equalities information, sex will be monitored and action will be taken to

¹⁰

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/710029/LSBS_2017_cross-sectional_Non_employers_report.pdf page 27

¹¹ https://www.enterpriseresearch.ac.uk/wp-content/uploads/2013/12/ERC-White-Paper-No_3-Diversity-final.pdf page 13

¹² <https://foundry.unilever.com/blog/-/blogs/diversity-in-the-startup-space-almost-half-of-startups-believe-there-is-a-gender-bias-problem?prclt=NeUIEZpR> ; <https://medium.com/startup-grind/how-do-we-bridge-the-gender-diversity-gap-in-the-startup-space-3956c5dd33c>

address any significant areas of under-representation where relevant.

Sexual orientation - Whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes

Possible impacts (positive and negative) of proposed policy/decision/business plan

The consultation and equalities analysis did not raise any specific issues relating to sexual orientation.

Equality information on which above analysis is based

Consultation feedback.

Mitigating actions to be taken

N/A

Human Rights

There are 16 rights in the Human Rights Act. Each one is called an Article. They are all taken from the European Convention on Human Rights. The Articles are The right to life, Freedom from torture, inhuman and degrading treatment, Freedom from forced labour , Right to Liberty, Fair trial, Retrospective penalties, Privacy, Freedom of conscience, Freedom of expression, Freedom of assembly, Marriage and family, Freedom from discrimination and the First Protocol

Possible impacts (positive and negative) of proposed policy/decision/business plan

The consultation and equalities analysis did not raise any specific issues relating to human rights.

Information on which above analysis is based

Consultation feedback.

Mitigating actions to be taken

N/A

Section 5: Further actions and objectives

5. Further actions			
Based on the initial analysis above, please detail the key mitigating actions or the areas identified as requiring more detailed analysis.			
Number	Description of issue	Action	Timeframe

Fairer Food Southwark: A borough-wide action plan to increase household food security

Southwark Public Health Division
Place and Wellbeing Department

June 2019



SUPPORTED BY
MAYOR OF LONDON



Partners

With thanks to the following organisations and individuals for their input:

Regional and National Supporting Organisations:

Garden Organic, Greater London Authority, Sustain.

Food Action Alliance members (*) and other local partners:

1 st Place Children and Parents' Centre *	Hourbank *
Age UK Lewisham and Southwark *	Housing Associations Charitable Trust HACT
Albrighton Community Fridge *	Hubbub
Alexandra Rose Charity *	IAPT
All Saints Church, Peckham *	Ileto CPN *
Alzheimer's Society Southwark Branch *	Kaizen Partnership *
Bags of Taste *	Lendlease *
Be Enriched *	Mercato Metropolitano *
Better Bankside *	Newington TRA *
British Land *	NHS Southwark CCG
Central Southwark Community Hub *	Nika's Kitchen *
Citizens Advice Bureau *	Notting Hill Housing Trust *
City Harvest *	Parents and Communities Together (PACT)*
Cleaner Greener Safer (Southwark Council)*	PECAN *
Collaboration For Healthier Lives	Rice Marketing
Community Southwark *	Salvation Army *
Crystal Palace Community Development Trust *	SHIFT
Department of Work and Pensions *	Soil Association *
Divine Rescue *	Southwark Council *
Dragon Café *	Southwark Foodbank *
Edible Rotherhithe *	Southwark Group Tenant's Organisation *
Engie *	Southwark Grower's Network *
Evelina London (Guy's and St Thomas') *	Southwark Home Schooling Network *
Faith and Health Network	Southwark Wellbeing Hub
FareShare *	Time and Talents *
Food Inequalities *	Together Southwark *
Food Power	Trussell Trust *
Foodcycle, Peckham *	Umbrella for Women to Women *
Friends and Neighbours Coffee Morning LBCC *	University of the Arts, London *
Garden Organic *	Walworth Community Garden Network *
Glengall Wharf Garden *	Walworth Garden *
Global Generation Printworks Garden *	Walworth Society *
Good Gym *	Winners' Temple Foodbank *
Groundwork *	
Grove Collective *	
Guys and St Thomas' Charity *	

Definition of food security:

“Being food secure means being sure of your ability to secure enough food of sufficient quality and quantity to allow you to stay healthy and participate in society.”

Food Foundation - 2016

**Referencing:**

Unless otherwise stated, all references in this Action Plan are taken from Southwark’s Household Food Insecurity JSNA – Southwark Council – June 2019.

Foreword from Councillor Evelyn Akoto



“We will tackle food insecurity head on.”

Over 2 million Londoners are living below the poverty line and Southwark, like many boroughs, is seeing that many residents are struggling to afford basic food items, especially people who rely on benefits and people in work who are struggling to make ends meet due to insufficient salaries. Food insecurity can also be an issue for people who have mobility problems, health concerns or lack of confidence to get to local shops and prepare food for themselves.

National estimates suggest that one in five over 16 year olds in England are food insecure to some degree. That is 53,000 of our residents. One in 12 people in England aged over 16 are estimated to be moderately to severely food insecure. **This means that over 20,000 of our residents may be skipping meals because they cannot afford to eat and are experiencing real hunger.**

As a responsible local authority we do not want to sweep this problem under the carpet. While it is hard to accept that people in 21st century Britain are going hungry, we must use our resources and collective will to tackle the problem head on. As part of the Fairer Futures Commitment, we promised our residents a healthier life where health inequalities are reduced so whatever your background you can live a healthy life. Access to nutritious, affordable food is key to this.

Producing a Food Security Plan shows that we take this commitment seriously. We want our residents to do more than just survive, but to thrive. **We want to use policy to tackle the problems that make people food insecure in the first place and create a food-resilient borough with a strong community food network.** A network where surplus, unused food gets used wisely, and where we support people to develop their skills in healthy eating, cooking and food growing as well as doing what we can to address barriers to employment, income maximisation and equality.

The Mayor of London recently published the Capital’s first food strategy in 12 years, and reducing household food insecurity is one of the six key areas that he is committed to. With Southwark’s first ever action plan, we can put creating food security onto our agenda, into our conversations and into our policies, creating a powerful and coordinated approach to ensure a fairer food future for all.

Cllr Evelyn Akoto – Cabinet member for Community Safety and Public Health

The Southwark Food Action Alliance (SFAA):

60 organisations unite locally to create better food security

The Southwark Food Action Alliance (SFAA) have worked with the Council on the preparation of this plan for over a year, providing input from a wide variety of organisations and community representatives interested in the food security agenda.

The SFAA officially formed in September 2017 from Garden Organic's Southwark Food Poverty Project, funded by The Hirschmann Foundation. The SFAA's formation came about in response to nearly a decade of austerity, rising living costs, changes to benefits and funding cuts to local services that have resulted in a significant increase in foodbank use and overall food insecurity in Southwark. In November 2017, the SFAA became a member of Food Power, which is a national network connecting food alliances which are working to tackle food insecurity.

Currently membership stands at 60 statutory, voluntary and community organisations meeting bi-monthly to explore cross-sector initiatives and new ways to work together. Community Southwark is now leading co-ordination of the Alliance.

The SFAA provides a platform for members, residents and community partners to coordinate existing interventions, design new and innovative initiatives and adopt a joined-up approach to tackling food inequality and related issues.

The SFAA has three long-term aims:

- 1. Improved access for food insecure people to pathways of support**
- 2. Improved education and learning about sustainable food**
- 3. Improved access to healthy and affordable food for all.**

To achieve these aims the SFAA intends to:

- Increase the number of community-led solutions to food insecurity.
- Increase residents' awareness of what support services are available and build a better understanding of the support that residents need.
- Increase people's confidence in managing their food security.
- Improve the ability of residents to get through periods of food crisis.
- Reduce the number and frequency of people relying on crisis support.

The SFAA is committed to ensuring that the recommendations made in this action plan are implemented to widely benefit Southwark's residents, particularly to improve health outcomes for those on low incomes, and to support the borough's voluntary, community and statutory organisations to progress this agenda.

Why food security is an important issue for Southwark

The level of food insecurity (sometimes described as food poverty) has been steadily rising in the UK with an estimated 8.4 million people being food insecure¹ and 52% of households with children being unable to afford a socially acceptable diet². One in ten UK pensioners are either malnourished or at risk of malnutrition. One in three children in London report having problems concentrating at school due to hunger.

Southwark has higher deprivation and destitution levels than the national average, meaning that our population runs a higher than average risk of experiencing food insecurity. We know that the number of people using Southwark foodbanks³ is rising.

Last year, the number of households asking for a referral to the borough's largest foodbank network (The Southwark Foodbank) grew by 31%. The top reasons given for referrals to the borough's two largest foodbank networks (the Southwark Foodbank and Central Southwark Community Hub) were:

- Delays in receiving benefits (41%)
- Not having a sufficient salary to cover living expenses (16%)
- Having no recourse to public funds⁴ (16%).

At the same time, we know that the numbers of people using foodbanks do not reflect true levels of food insecurity as only 20% of food insecure people will ever make it to a foodbank, for reasons such as stigma or being unable to access help.

“[Food insecurity] varies from choosing to pay Council Tax rather than buying food, not taking necessary medication because it needs to be taken with food, feeding children chips instead of appropriate, nourishing food, paying debts leaving no money for food, staying in unsafe relationships to have food to eat.”

- Felicia Boshirin, Director of Central Southwark Community Hub Foodbank

Tackling household food insecurity is one of six areas that the Mayor of London has committed to address in London's recently published Food Strategy. To date, 13 boroughs have produced an action plan to increase food security, including our neighbours: Lambeth, Lewisham and Tower Hamlets.

¹ Food Foundation – Too Poor To Eat, 2016

² Food Foundation – Affordability of The Eatwell Guide, 2018

³ Foodbanks are charitable organisations that rely on food donations. Generally a referral is needed from a professional to access foodbank support. In the case of foodbanks run by the Trussell Trust, a referral entitles recipients to three weeks of food during a six month period.

⁴ NRPF is an immigration status which allows a person to work in the UK but restricts access to many mainstream benefits drawn from public funds, e.g. welfare and social housing.

Some facts and figures about food insecurity

53,000 Southwark residents aged 16+ are likely to be food insecure to some degree, 20,000 of them moderately to severely so

A low-income family needs to spend 42% of its income on food to meet government nutrition standards

1 in 3 over 60s in Southwark are income deprived

1 in 3 London children have problems concentrating at school because of hunger

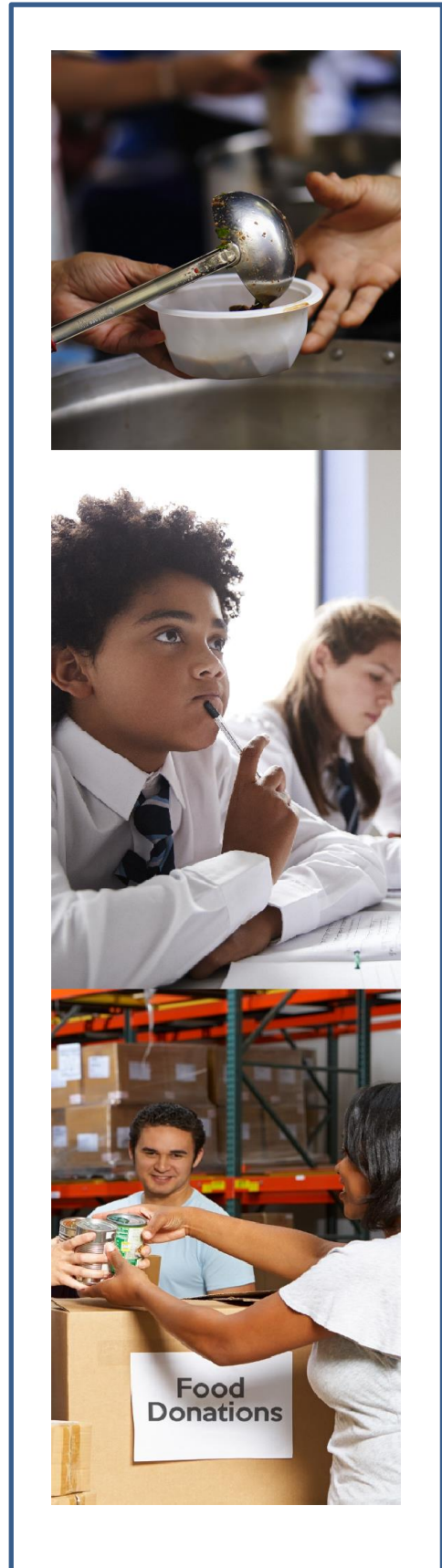
1 in 4 children in Southwark live in low-income households

Only 20 percent of food insecure people will ever make it to a foodbank

4,674 Southwark households were referred for emergency food aid in 2017-18

60% of foodbank users in Southwark are single people

1 in 7 foodbank users in Southwark are in work but have insufficient salaries to make ends meet



Improving food security improves our life chances

Our diet impacts our health, both mentally and physically. This in turn impacts our life chances, influencing how well we are likely to do at school, how much we can participate socially, how long we will take to recover from illnesses and surgery, plus whether we will develop health conditions that will stop us engaging fully in life or lead to us dying prematurely.

Without equal access to good nutrition, we cannot have equalities in health or life. Southwark Council's Fairer Future Commitment promises to 'reduce health inequalities so that whatever your background you can live a healthy life'. Creating household food security is key to this. The chart below shows how a lack of food security at home can impact residents at all life stages, from before birth to old age.

How food insecurity affects us throughout the lifespan

<p>Infant and maternal health</p>	<ul style="list-style-type: none"> • Babies are more likely to be lower in birthweight. This can increase the risk of developing diabetes, heart disease, high blood pressure and obesity later in life. • Food insecure mothers are less likely to persevere with breastfeeding due to the stress and social isolation of their situation. • Food insecure parents who rely on formula may resort to unsafe practices such as skipping feeds, watering down the formula, adding cereal or introducing unmodified cow's milk too early. • The likelihood of post-natal depression is greater, affecting mother-infant bonding. • Growth and development could be impaired with inadequate nutrition.
<p>Children and young people</p>	<ul style="list-style-type: none"> • Children in food insecure households are more likely to become obese and develop asthma, depression and other chronic conditions. • Growth and development can be impaired. • There is an increased likelihood of tooth decay and cavities. • Learning is poorer, which can affect educational attainment and impact life chances. • There can also be a social impact as the young person is often unable to invite friends over and participate in treats or social activities that involve spending money on food.

Adults	<ul style="list-style-type: none"> • Poor diet is related to 30% of life years lost to early death and disability. • One in three cancer deaths and one in two heart disease deaths are caused by poor diet. • A severely food insecure person is five times more likely to experience anxiety disorders and major depressive episodes than someone who has access to adequate food.
Older adults (65+)	<ul style="list-style-type: none"> • A poorly nourished older adult is less able to fend off infection and ill health. Wounds will take longer to heal. • Recovery from illness and surgery is impaired. Clinical outcomes are poorer. • Hospital stays are longer and more frequent. • Muscle strength is reduced. • Increased frailty. Greater risk of falls and fractures. • It is three times more costly to treat a malnourished older person than an adequately nourished one.

“[Food insecurity] means people are too poor to choose diets that are healthy for them. They develop diseases. They have health problems.”

- Olivier de Schutter, UN Special Rapporteur on the right to food

The increase in food insecurity among low-income patients “has created high levels of psychological distress, anxiety and related mental health problems.”

- A Southwark GP interviewed for the Joint Strategic Needs Assessment on Food Insecurity

Examples of Southwark's food security achievements

Delivery of universal free, healthy school meals for Southwark's primary school students

Becoming a London Living Wage borough

60 member organisations have joined the Southwark Food Action Alliance to tackle food insecurity

£6.2m of unclaimed benefits were accessed via the Local Support Team for our residents during 2017-18

23 tonnes of surplus food are used each month by Southwark organisations including foodbanks

1,617 Alexandra Rose vouchers were redeemed in February 2019 at East Street Market. These vouchers entitle low-income pregnant women and families with young children to £3-worth of free fruit and vegetables each week⁽¹⁾

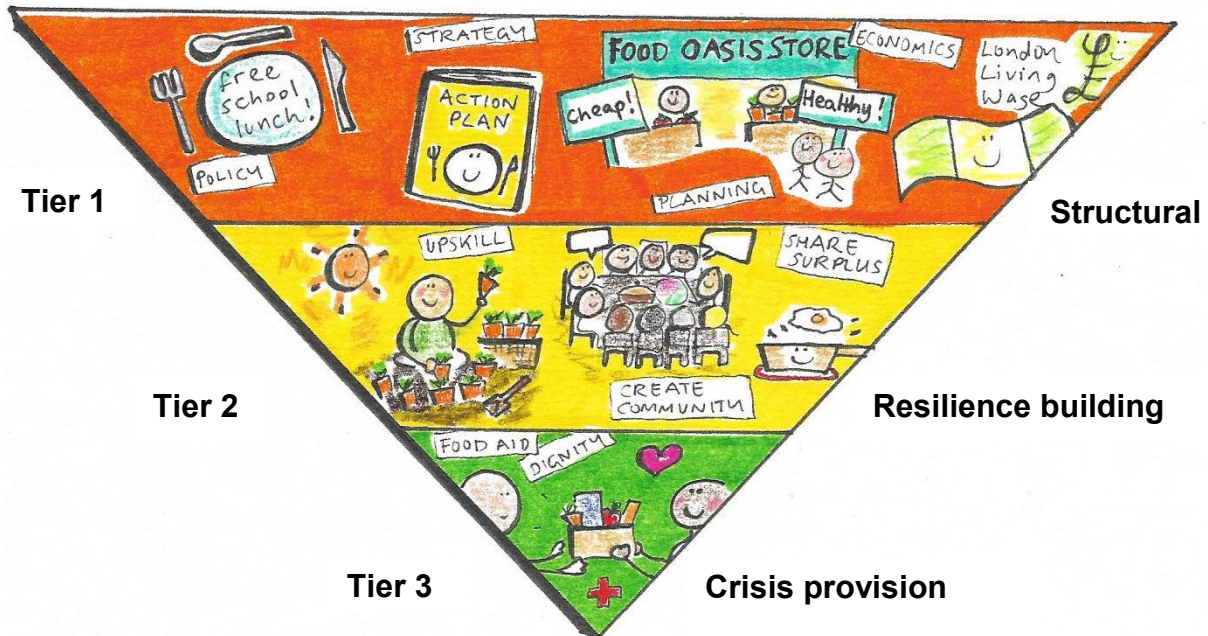
24 Master Gardener food growing projects have run on Southwark estates



(1) Alexandra Rose Charity

The Southwark approach to creating food security

Building food security happens on many levels and everyone has a part to play. The three-tier model that we have developed below shows the importance of having a borough-wide approach and gives examples of how organisations and communities are working together as part of a wider system. There is a part for everyone to play whether you are an individual, a faith group, a charity, a community organisation, a locally based business or a statutory organisation. For ideas of how you can contribute as an individual or organisation, please see pages 33 and 34.



Tier 1: The structural (wider determinants) level prevents the factors which cause food insecurity in the first place by creating local policies that will increase food security and also by designing a built environment and infrastructure to improve access to affordable, healthy food. An example of an approach on this level is Southwark Council providing all primary-aged children with a free, healthy school meal, regardless of need. This differs from national policy which only provides universal free meals for students in reception, year 1 and year 2.

Tier 2: Resilience building is also a preventive tier. It is about making better use out of what we already have and strengthening individuals, communities and systems:

- **Personal resilience** gives residents access to cooking and growing skills, as well as opportunities to increase their household income.
- **Community resilience** creates a strong Southwark food network with vibrant communities where people can come together to grow, cook and share food.
- **Systems resilience** makes better use out of good-quality, surplus food by redistributing it to those in need.

Tier 3: Crisis provision ensures that people always have a safety net. An example of this tier is Southwark's Emergency Support Scheme which supports households in crisis with emergency food packages.

The creation of this action plan

The development of this plan has involved conversations, meetings and workshops with a wide range of people who live and work in Southwark. This has included foodbank users and frontline workers from both the statutory and community/voluntary sectors. We have engaged with the Department of Work and Pensions, Children's Centres and teams from multiple Council departments, as well as experts in the field including academics, health professionals and staff from national food organisations, such as Sustain, The Trussell Trust and FareShare, as well as the Southwark Food Action Alliance's member organisations. We have also talked to other local authorities in London and beyond to learn about best practice. Thank you to everyone who has given so generously in sharing their time and expertise.

“Developing the action plan for Southwark has been a great vehicle for working across sectors to develop a shared understanding and vision for tackling food insecurity. There are some fantastic programmes going on in Southwark and many passionate, dedicated individuals. This is coupled with a great deal of need. The action plan has provided a way to gather the pieces together, create momentum around food insecurity and identify ways forward.”

**- Professor Kevin Fenton, Strategic Director of Health and Wellbeing,
Southwark Council**




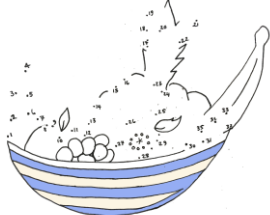

The plan is based on a detailed strategic needs assessment on household food insecurity conducted by the Public Health team at Southwark Council which can be read online at southwark.gov.uk/jsna (link will be live by June 18). It has been overseen by steering group meetings attended by key professionals drawn from the Southwark Food Action Alliance and has involved consultation with over 50 stakeholders.

The funding for this work was made possible by the Mayor of London and Southwark Public Health. The work is being co-ordinated through the Southwark Food Action Alliance and overseen by the Public Health division of Southwark Council.

As this is Southwark's first Food Security Action Plan, the plan will be reviewed after a year and refreshed for 2021 and beyond.

Introducing the five baskets

Our approach for the plan's actions falls into five 'baskets'. These are:

	<p>Basket 1: Wellbeing</p> <p>Take a person-centred, holistic approach to food security, to support emotional, social and physical wellbeing.</p>
	<p>Basket 2: Resilience</p> <p>Adopt a long-term, preventive approach to strengthen people, communities and food systems.</p>
	<p>Basket 3: Access</p> <p>Design services and information that make it easy for people to access the support they need. Ensure that people have good physical access to nearby sources of affordable, healthy food.</p>
	<p>Basket 4: Joining the dots</p> <p>Adopt a strategic, collaborative, coordinated and streamlined approach. Encourage partnerships, cross-organisational working and the creation of networks.</p>
	<p>Basket 5: The bigger picture</p> <p>Use infrastructure, policy and advocacy to address the wider issues that affect food security.</p>

Southwark Food Security Action Plan for 2019-2021

Summary

Over the next two pages is a summary of key actions for each of the five baskets.

1. Wellbeing: Take a person-centred, holistic approach to food security, to support emotional, social and physical wellbeing.

1.1 Put respect and empowerment of individuals at the heart of what we do.

1.2 Provide nourishing food at foodbanks and community cafes/ meals.

1.3 Move away from traditional foodbank models, encouraging dignified solutions that enable people to contribute towards their food costs when possible, and that promote mental wellbeing and positive engagement in the community.

2. Resilience: Adopt a long-term, preventive approach which strengthens people, communities and food systems.

2.1 Build a strong, local food network and develop a co-ordinated plan for the use of surplus food.

2.2 Use food growing, cooking, sharing and education opportunities, including estate-based approaches, to support community cohesion.

2.3 Develop food support provision to better link with associated services such as income maximisation, money management and skills/ employment services.

3. Access: Design services and information that make it easy for people to access the support they need. Ensure that people have good physical access to nearby sources of affordable, healthy food.

3.1 Develop an accessible referral pathway for food support services.

3.2 Raise awareness about local food initiatives and services for the general public.

3.3 Promote food security at key points in the life course when people may be more vulnerable, including: pregnancy and early years; children, young people and care leavers, the middle-age and pre-retirement years (50-65), older adults and people affected by ill health.

3.4 Acknowledge the barriers to access facing other vulnerable groups.

3.5 Address geographical gaps in access. Encourage food businesses to create a more affordable, healthy food offer.

4. Joining the dots: Adopt a more strategic, collaborative, coordinated and streamlined approach. Encourage partnerships, cross-organisational working and the creation of networks

4.1 Strengthen the range of partners involved in the food security agenda.

4.2 Have a coordinated approach to key schemes that improve food security.

4.3 Encourage key stakeholders to share information and intelligence to ensure that services and pathways are sensitive to future needs.

5. The bigger picture: Use infrastructure, policy and advocacy to address the wider issues that affect food insecurity.

5.1 Plan healthy places using regeneration, promotion of economic wellbeing and working with housing providers to improve food security.

5.2 Advocate on wider issues that affect food security.

5.3 Provide input to planning for the Brexit transition period on food security.

The full action plan for food security in Southwark 2019-21

The main body of the action plan that follows provides a case study for each section, illustrating some of the amazing work already happening in the borough, and shows that we have a strong foundation of work on which we can build.

Further detail is also provided under each basket of actions and key delivery partners are indicated, though it should be noted that this is a live document and new partners are encouraged to come on board as the work develops.

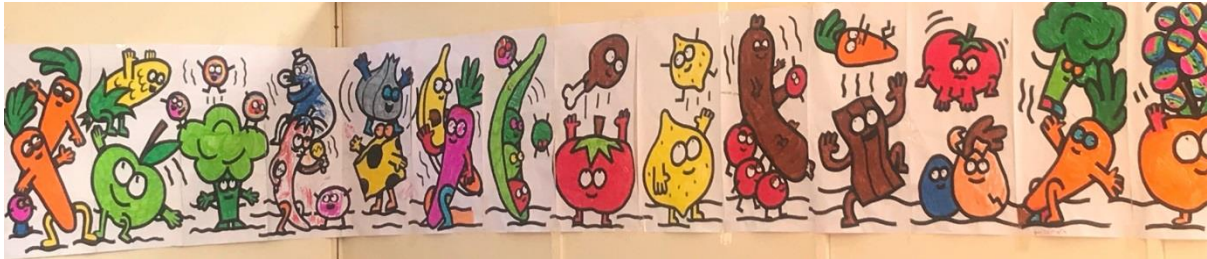
All actions are subject to the capacity and continued resourcing of the delivery organisations indicated.



Basket 1: Wellbeing

Case study: More than just food.

Holiday provision for food insecure families over the school holidays.



The art above was created by primary-school-aged Southwark children who attended a targeted holiday club run in summer 2018 for food insecure families. Without free school lunches, many low-income families struggle financially over the long summer break. Mercato Metropolitan and the Central Southwark Community Hub who ran this pilot (with funding from Guys and St Thomas' Charity) put on a very holistic programme offering cooking classes, yoga lessons, time for parent-child bonding and day trips to the seaside and Parliament.

The evaluations conducted both during and after the programme by Southwark Public Health showed how the benefits of the programme went far beyond receiving a healthy lunch every day. Both the carers and children blossomed and benefited from being part of a supportive community. All of the carers interviewed said that the children would stay at home if they were not on the programme. All of the children interviewed said that they had made new friends.

The programme particularly helped tackle social isolation. One programme director reflected on an attendee who is unable to socialise outside of school because she is the registered carer for a family member. The family support worker (who attended with her) said that the programme "had enabled her to be a child again and make friends with other children". The other programme director spoke of how her volunteers worked to meet the needs of an autistic boy. "He felt a part of all that was going on. The mum said it was the first time they've been able to use a facility like our club as she can't afford to pay for activities for her children."

Basket 1: Wellbeing

Take a person-centred, holistic approach to food security, to support emotional, social and physical wellbeing.

1.1 Put respect and empowerment of the individual at the heart of what we do.

1.1.1	Promote the 'Dignity Agenda', as adopted by the Scottish government in their food work. Its four principles include: (1) Involve in decision-making people with direct experience. (2) Recognise the social value of food. (3) Provide opportunities to contribute. (4) Leave people with the power to choose.	SFAA with partner organisations
1.1.2	Empower those who are, or have been, food insecure to find their voice as 'experts by experience' and be involved in mentoring, advocacy, service design and playing an active role in their food organisation.	SFAA with partner organisations
1.1.3	Encourage movement from being a food-aid recipient to engaging in activities that can improve wellbeing and provide access to healthy, affordable food. Ensure that opportunities for this are shared on the referral pathway.	SFAA with partners, e.g. food-aid providers
1.1.4	Explore, as part of Southwark's upcoming Loneliness Strategy, what the current offer is around social eating for older and isolated people in the borough including intergenerational opportunities.	Council

1.2 Provide nourishing food at foodbanks and community cafes/ meals.

1.2.1	Have a nutrition policy in place at foodbanks and community cafes to ensure that food is culturally and religiously appropriate, supports health needs (e.g. suitable for those with diabetes or coeliac disease), is nutritionally balanced and contains fruit and vegetables. Make providers aware of the First Steps Nutrition guidance around formula milk and foodbanks.	Council, Evelina London and partner food organisations
1.2.2	Fizzy, sugary drinks should not be available in line with the borough's support for Fizz Free February and Sugar Smart campaigns.	Council and partner food organisations

1.3 Move away from traditional foodbank models, encouraging dignified solutions that enable people to contribute towards their food costs when possible, and that promote mental wellbeing and positive engagement in the community.

1.3.1	Encourage the development of models that support the dignity agenda, such as Community Pantries, Community Co-ops and Community Fridges, all of which promote choice and engagement.	SFAA with partners e.g. food-aid providers
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1.3.2	Move towards the Mayor of London's vision of establishing food hubs in deprived areas where a range of food activities can take place on one site (e.g. community café, community gardening, cooking classes and a distribution drop-off point for surplus food).	SFAA and Council
1.3.3	Scope potential links between food hubs and primary care including the social prescribing model being developed by local care networks.	Council, CCG
1.3.4	Work with local health partners to see what support can be offered to: <ul style="list-style-type: none"> • Those who develop mental and/or physical health problems due to the stress and anxiety caused by being food insecure • Those who have pre-existing mental health conditions (who are at a greater risk of becoming food insecure) 	Council and CCG, SLaM
1.3.5	Food aid providers to ensure that they have a policy for supporting people with mental health problems. This includes knowing how to signpost people who need mental health support, and providing the appropriate training and support for volunteers and staff.	Food aid providers



Basket 2: Resilience

Case study: Creating cheap, tasty meals.

Community food workers run cooking courses for young families.



Evelina London's Community Children's Nutrition and Dietetics Service runs six-week Cook and Eat Well courses with families in Southwark's Children's Centres.

"We use cheap, basic ingredients to make tasty, nutritious meals. The photo on the left shows examples of typical recipes we make during a course, a homemade pizza and rainbow salad. The photo on the right shows a recipe we were testing for the course: a vegetable pasta soup. We made 80 portions of this to donate to the Albrighton Community Fridge.

One of the aims of the course is to increase the participants' knowledge and confidence in preparing healthy family meals on a budget. Discussing the cost of food and the use of budgeting underpins each week of the course. Families who attend a course are often living on a low income and may receive food from foodbanks or community fridges. These families benefit from the course as we are able to teach them how to use the foods they may often receive."

Adopt a long-term, preventive approach to strengthen people, communities and food systems.

2.1 Build a strong, local food network and develop a co-ordinated plan for the use of surplus food.

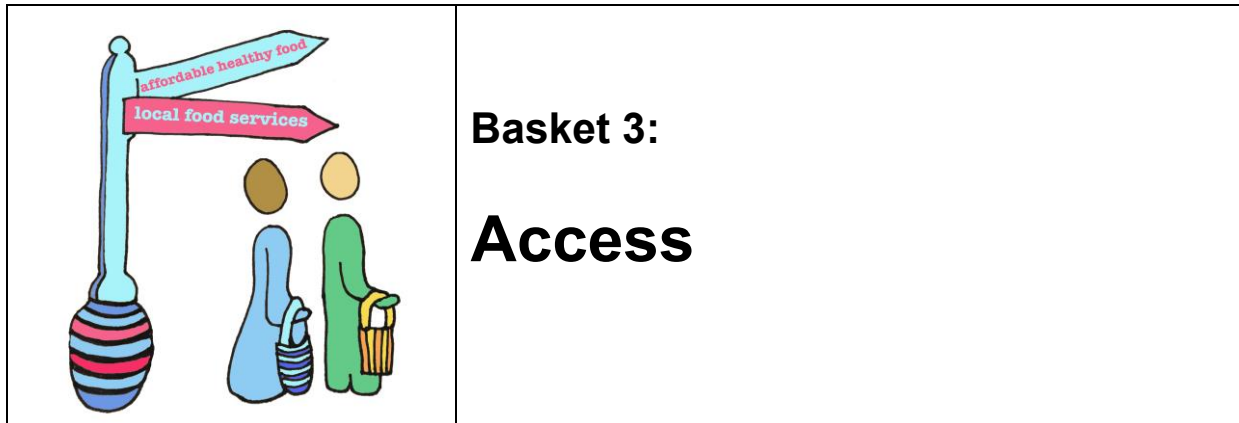
2.1.1	Continue to build a strong, local food network through the Southwark Food Action Alliance, seeking more sustainable funding and co-ordination capacity.	SFAA, Council and partners
2.1.2	Become a Sustainable Food City member and start the accreditation process towards Bronze status.	SFAA and Council
2.1.3	Regularly monitor progress on the Action Plan. Start planning the follow up plan/ food strategy (for 2021 and beyond) in June 2020.	SFAA and Council
2.1.4	Audit what key organisations in the borough are doing around both donating and using surplus food. Identify opportunities for a more networked approach, e.g. school breakfast clubs..	SFAA, Council and surplus food organisations
2.1.5	Hold a sustainable food networking fair to introduce companies, trusts and charities in the borough to surplus redistribution organisations and apps with the aim of increasing both donations and use of surplus.	SFAA, Council and surplus food organisations
2.1.6	Work with surplus food organisations to explore establishing redistribution hubs in the borough.	SFAA, Council and surplus food organisations

2.2 Use food growing, cooking, sharing and education opportunities, including estate-based approaches, to support community cohesion.

2.2.1	Develop an 'eat together' philosophy at the neighbourhood level which supports better social cohesion and integration. Map the kitchen, café spaces that could be used on estates and in housing associations to run activities like community cafes, cooking groups and shared spaces for batch cooking.	SFAA, Community Southwark, SGTO, TRAs
2.2.2	Support sustainable food growing projects and healthy cooking skills classes, particularly on housing estates, with at-risk communities and in areas where there is currently little provision. Identify community assets such as allotments and community gardens that can support estate and neighbourhood activity.	Council, SFAA and including Southwark Growers
2.2.3	Community Southwark to support the further development of the Community Fridge model (currently sited on Albrighton Estate and St George the Martyr Church) and to explore potential additional sites.	Community Southwark
2.2.4	PECAN to share its learning from the Pantry Model as it develops a more community-based way to work with those who are chronically food insecure.	PECAN
2.2.5	Explore what support can be offered to different housing providers including TRAs and Housing Associations, as well as landlords in the private rented sector, to maximise their potential to build food resilience among their residents.	Council

2.3 Develop food support provision to better link with associated services such as income maximisation, money management and skills/ employment services.

2.3.1	Assess and promote the best ways for food aid / food support services to provide wraparound services or links to other services such as the Council's Local Support team, Citizens Advice, Southwark Works and DWP, that can support people with income maximisation, money management skills, employability skills and finding good quality work opportunities. See 1.3.1.	SFAA, Council, Food-aid providers,
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Case study: Companionship and groceries for older adults

A volunteer service helps those who struggle to do food shopping



Food2You is an exciting, new grocery delivery service, run by Age UK Lewisham & Southwark with volunteers at the heart of it. Food2You calls customers every Monday to take their order and then delivers the groceries three days a week. Michelle is a Food2You Delivery Volunteer. She takes the food into the customer's home, unpacks it, puts it away and collects payment for the groceries. Michelle will chat with the customer, helping to combat social isolation and check in on their wellbeing. Michelle told us: "I have met and worked with great people, and have enjoyed the opportunity to meet the clients we support first-hand."

Basket 3: Access

Design services and information that make it easy for people to access the support they need. Ensure that people have good physical access to nearby sources of affordable, healthy food.

3.1 Develop an accessible referral pathway for food support services.

3.1.1	Establish and promote a pathway of food aid and food support services for self referral and professional referrals (e.g. benefit advisors / education staff / primary care staff / social workers). Include information about services that offer support during evenings, weekends and school holidays.	Council, CCG, Community Southwark, and partners
3.1.2	Develop a supplementary training offer for frontline staff on how to pick up on food insecurity and how to refer. Ensure that the Southwark Wellbeing Hub and Disability and Older People's Hubs are included in these developments.	Community Southwark, Council
3.1.3	Continue to develop an understanding of the different challenges and service journeys that being food insecure has for particular at-risk groups to inform service development. E.g. disabled person, low-income family with children, older person, migrants with NRPF.	Council, SFAA

3.2 Raise awareness about local food initiatives and services for the general public

3.2.1	Have a local offer guide for the general public (both online and a more basic printed version). Identify services in it offering help outside of standard office hours. Ensure it contains practical nutrition information (e.g. how to access dietitians and online resources).	Community Southwark, SFAA
3.2.2	Map all services in the borough onto an online platform and keep updated.	Community Southwark
3.2.3	Have communications in place to help people avert crisis at key trigger points (e.g. transfer to Universal Credit, having difficulties paying rent).	Council, SFAA
3.2.4	Develop messaging that is non-stigmatising as part of a communications plan that supports the dignity agenda (see 1.1.1). Involve people with lived experience of food insecurity where possible.	SFAA, Council

3.3 Promote food security at key points in the life course when people may be more vulnerable:

3.3.1 Pregnancy and early years

3.3.1.1	Health visitors, midwives, the Community Children's Nutrition and Dietetics Service, nurseries and Children's Centres, are in a good position to pick up on potential food insecurity and should have clear policies in place to signpost and support people (including NRPF families).	Health visitors, midwives, Evelina London, nurseries, Children's Centres
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3.3.1.2	<p>Counter the negative impact that formula and commercial baby foods can have on family food budgets by:</p> <ul style="list-style-type: none"> • Ensuring new mothers know where to access expert, practical support on breastfeeding and formula feeding. • Making young families aware of workshops that they can access in Southwark Children's Centres on introducing solid foods to their babies. 	Evelina London, Health visiting, Breastfeeding team, Community children's nutrition and dietetics service
3.3.1.3	Strengthen the connection between Early Years providers (e.g. Children's Centres) and the SFAA to ensure that this priority group is represented and supported in future development of models of food aid and food resilience building.	Early Years / Children's Centres, SFAA
3.3.1.3	Develop a measure to monitor food insecurity among nursery school students and their families as part of the ongoing evaluation of the Council's roll out of free, healthy nursery school meals.	Council
3.3.1.4	Train professionals in different maternity/ early years settings to be Healthy Start champions. Research the barriers to uptake for Healthy Start vouchers (using focus groups). Use findings to inform the work of the Healthy Start Task and Finish group.	Healthy Start Task and Finish Group/ Council

3.3.2 Children, young people and care leavers

3.3.2.1	Southwark Council should continue to play its important role in providing a safety net for those who are food insecure through the universal provision of free, healthy school meals for primary school students.	Council
3.3.2.2	The London Food Strategy recommends that schools play a key role in identifying students and families who may be at risk of food insecurity and refer accordingly. This needs to be translated into local guidance / action.	Southwark schools, Healthy Schools Board
3.3.2.3	<p>Continue to develop an understanding of the borough's needs and offer related to 'holiday hunger'. Strengthen a more networked approach to delivery across the borough, including communications and referral mechanisms. Encourage providers to share practice on:</p> <ul style="list-style-type: none"> • Resilience building opportunities • Building wraparound services that support access to advice on: housing, benefits, youth violence/gangs, immigration and health. 	Council, Holiday Provision Network
3.3.2.4	Develop further understanding about whether there are gaps locally in access to food support for care leavers, who are identified as a vulnerable group.	Council

3.3.3 The middle-age and pre-retirement years: 50-65

3.3.3.1	Further research needed on food insecure people in this age group and the potential role of employers, DWP, Southwark Works and GPs to help them access support. Pressures could include employment difficulties, benefit changes, long term health conditions, relationship breakdown, caring responsibilities and bereavement.	SFAA, Council, GSTC
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3.3.4 Older adults

3.3.4.1	Work with nutrition and dietetics services to increase awareness among key health and care workers of the extent and impact of food insecurity and malnutrition in the elderly population and improve staff confidence to provide an effective, brief intervention/ referral to the appropriate service.	Council, GST and Kings
3.3.4.2	Use flu jab season and holistic assessment appointments to promote food support services appropriate for the elderly.	Council, CCG
3.3.4.3	Appraise food support options and identify gaps for elderly people across the system to inform future development of the food support pathway. Consider alternative models for meals on wheels delivered by social enterprises.	SFAA, Council, Adult Social Care
3.3.4.4	Continue to develop innovative responses from food support services as well as the business community to support elderly people, who may be less able to get to shops, afford a healthy meal, have the inclination or ability to cook and may not have the opportunity to eat with others.	SFAA, Council, local businesses
3.3.4.5	Map with local businesses what their 'silver pound' attractions e.g. telephone ordering service, delivery service, in-store packing helpers, trolley-push services, older-adult friendly cafes and social events. Communicate this information via older people's services and networks like COPSINS.	Community Southwark, SFAA

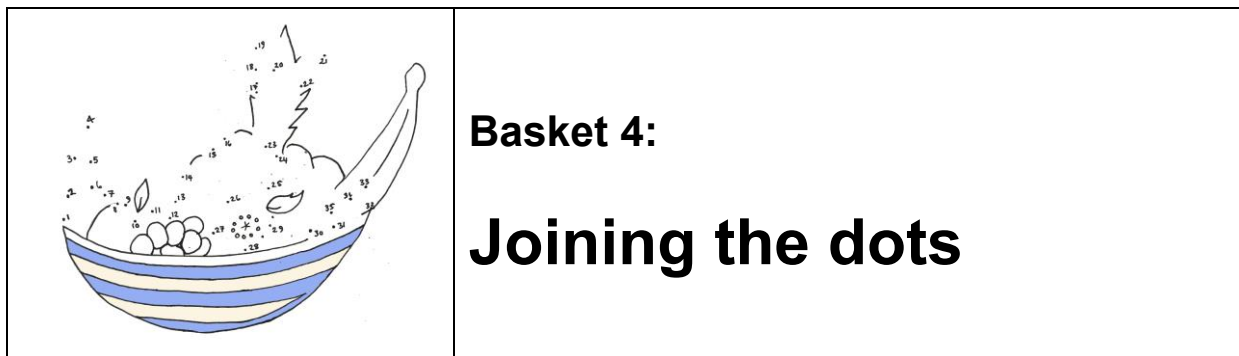
3.4 Acknowledge the barriers to access facing other vulnerable groups

3.4.1	Acknowledge lower literacy levels, language barriers and digital exclusion of some at-risk groups. Identify where advocacy and support is required to help with form filling, payment methods, translation or accessing advice digitally.	Community Southwark and partners
3.4.2	Further work is needed to understand and develop what food support is available for low-income people with NRPF during times of crisis and beyond, including through community networks and faith groups.	Council, SFAA, Faith networks
3.4.3	Further work is needed to understand differences in how food insecurity manifests for key ethnic groups in the borough as some appear to be over or under-represented in their use of food support services. Key groups of interest would include Eastern European, West African and Latin American residents.	Council, SFAA, Faith networks
3.4.4	SFAA to engage mental health services and the Wellbeing and Disability Hubs to explore tailored interventions that could support people with mental health conditions e.g. those who find it difficult to leave the house for food shopping or who do not have the	SFAA, IAPT, Council and partners

	inclination to cook meals. Options could include online delivery, community cooking sessions, community cafes, food growing projects and healthy microwave cooking.	
3.3.5	Establish a clear understanding of the food support procedures in place across local hospital trusts when patients are discharged from hospital, and explore options to ensure that they can access adequate nutrition.	Council, Kings, GST, SLaM, CCG

3.5 Address geographical gaps in access. Encourage food businesses to create a more affordable, healthy food offer.

3.5.1	Further investigate potential food desert areas in the borough (where nearest supermarket is more than 500m away) e.g. Kingswood Estate, and parts of Bermondsey South, Old Kent road, Camberwell Green and Faraday wards. Carrying out a shopping basket comparison study is recommended, as well as mapping community food projects in the area.	Council, SFAA
3.5.2	Develop a Good Food Retail Plan for Southwark. Test a model of working with convenience stores and markets in a small area to stock and promote a commercially viable, affordable line of healthy meals/ingredients for different user groups, including older adults.	Council, Rice Marketing
3.5.3	Work with the Collaboration for Healthier Lives led by the Consumer Goods Forum, to test what can work at a supermarket level to promote healthier, affordable food as part of a year-long campaign. Test uptake of offers in areas of higher need.	Collaboration for Healthier Lives, Council
3.5.4	Work with Guys and St Thomas' Charity (GSTC) to support their work with SHIFT and JUST EAT to develop a range of affordable, healthy options for home delivery that work for low-income families and older people.	Council, GSTC
3.5.5	Guys and St Thomas' Charity (GSTC) to share learning from the pilot of Alexandra Rose vouchers in East St Market and support the wider roll out and promotion of the scheme.	GSTC, Council, Alexandra Rose



CASE STUDY: GROWING PARTNERSHIPS.

Social housing residents learn home-growing skills



The photo above is taken on a sunny autumn day at Gibbings House, SE1, where residents learnt about winter growing and composting thanks to a pop-up initiative run jointly by Garden Organic and the Walworth Community Garden Network (WCGN). The collaboration planted the seeds for more joint working. In 2019, the Gibbings House residents will develop their own communal garden.

Food growing in spaces linked to social housing sites allows residents on lower incomes to access sustainable, affordable and completely fresh produce all year round. Funding for the communal garden is from the Council's Cleaner, Greener, Safer team. Garden Organic is providing volunteer Master Gardeners to mentor the residents in growing skills, while WCGN will use the site to pilot a Sustainable Watering Initiative. Growing groups in the borough have expressed a desire for more joined-up approaches to working e.g. training, funding and sharing resources.

Basket 4: Joining the dots

Adopt a more strategic, collaborative, coordinated and streamlined approach. Encourage partnerships, cross-organisational working and the creation of networks.

4.1 Strengthen the range of partners involved in the food security agenda.

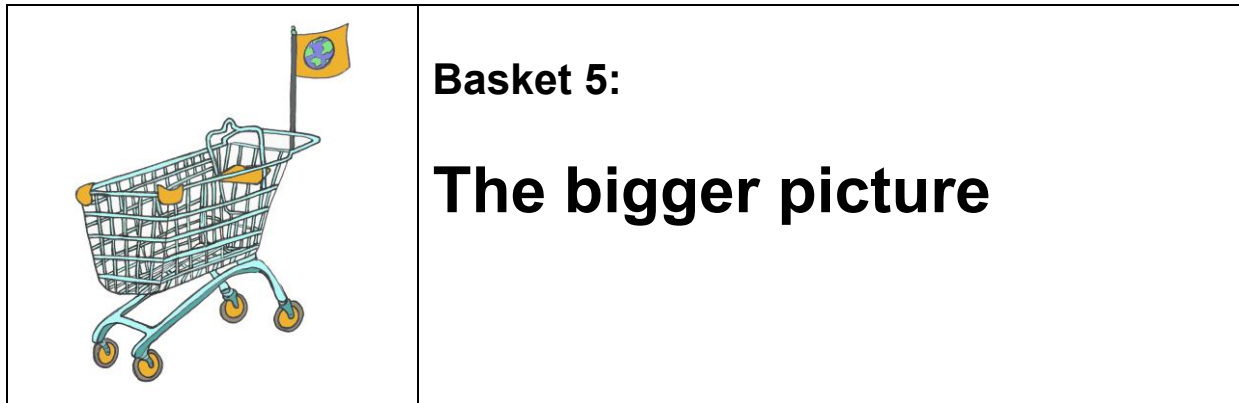
4.1.1	Ensure that the work has a wide reach and links with a wide cross-section of stakeholders, including (but not limited to): the SFAA, key Council departments and initiatives (public health, planning, regeneration, markets, housing, financial inclusion, social care, NRPF, early years, education, economic wellbeing), Children's Centres, schools, local businesses, community and voluntary organisations, faith groups, the CCG, GP practices, Kings Health Partnership, GSTC, SLAM, Tenants and Residents Associations, SGTO, people with lived experience and the Department of Work and Pensions.	SFAA and organisations listed in 4.1.1
4.1.2	Reach out to corporate partners in the borough who may be able to support food insecurity projects with funding and volunteering.	Community Southwark, SFAA, Council
4.1.3	Hold two stakeholder workshops per year (to include a launch event in 2019)	SFAA, Council

4.2 Have a coordinated approach to key schemes that improve food security.

4.2.1	Commit to coordination of the SFAA (at 3 days per week minimum for 3 years) to provide capacity to take forward the action plan.	SFAA, Community Southwark, Council
4.2.2	Establish a more coordinated approach to sharing learning and rolling out the Alexandra Rose and Healthy Start voucher schemes together to help low-income pregnant women and families with young children access free, healthy food. Cross-promote the schemes whenever possible to double the volume of vouchers that eligible recipients will gain.	Healthy Start Task/ Finish Group, Alexandra Rose Steering group
4.2.4	Link up growing groups in the borough to create a more coordinated and networked approach both to each other as well as to community food projects. that could partner for a 'seed to plate' arrangement. This is to support the sustainability of local projects, share expertise, increase the through-flow of volunteers and give access to training and resources for longer-term community engagement. Consider appointing a co-ordinator. <ul style="list-style-type: none"> • Map community gardens and allotments on an online platform (e.g. Capital Growth) to make it easy for residents to find local projects • Map foraging spaces. 	SFAA, local growing groups inc Southwark Growers, Council

4.3 Encourage key stakeholders to share information and intelligence to ensure that services and pathways are sensitive to future needs.

4.3.1	Have a more joined up way of sharing intelligence, mapping and knowledge with all to include an information-sharing platform for key stakeholders.	SFAA, Council
4.3.2	Map where food is available from faith groups, especially those with little connection to statutory services to ensure that information is available for them to understand what additional support people can access (e.g. income maximisation/ Healthy Start vouchers).	Community Southwark, Faith networks, Council
4.3.3	Scope options for a collaborative, strategic approach to future commissioning of the food support pathway, with consideration of a financially sustainable approach over time.	Council, SFAA, Community Southwark
4.3.5	Refine foodbank monitoring to improve the understanding of use by at-risk groups (e.g. using a more detailed menu to select age, ethnicity, and type of disability).	Food aid providers and Council



CASE STUDY: A market response to bolster food security.

A win-win: local sellers boost trade, families receive free, fresh produce.



The Alexandra Rose Charity's voucher scheme uses the local economy to improve food security for low-income pregnant women and young families. The scheme launched as a pilot in East Street Market in May 2018. It works with 1st Place Children's Centre, to distribute free vouchers to local families on low incomes, to be spent on fresh fruit and vegetables. The scheme supports the local economy as the vouchers can only be redeemed with traders at the market. To date, the scheme is supporting over 135 local families each week to access a healthier diet. In February, 2019, 1,617 vouchers were redeemed at the market, resulting in £4,800 extra income for local traders signed up to the scheme. Alexandra Rose Charity CEO Jonathan Pauling says: "There needs to be a response from the wider food system including retail and manufacturers to food insecurity. You can't leave the voluntary sector to solve it. We need to make the retail of healthy, affordable food profitable in low-income areas."

Basket 5: The bigger picture

Use infrastructure, policy and advocacy to address the wider issues that affect food security.

5.1 Plan healthy places using regeneration, promotion of economic wellbeing and working with housing providers to improve food security.

Regeneration

5.1.1	Use planning and regeneration tools such as Place Plans to consider the potential impact of regeneration on food security through including measures such as: community spaces, community kitchens, water fountains, community growing spaces, proximity to affordable shops and markets and easy walking/cycling routes providing connectivity to affordable shopping areas.	Council and developers
5.1.2	Invite key stakeholders, including Trees For Cities, to explore the potential for a more edible landscape in Southwark (e.g. orchards, edible paths, cycleways and playgrounds).	Council
5.1.3	Map meantime spaces and unused community spaces that groups can use for food activities. Share these resources through the SFAA.	Council, SFAA

Local economy

5.1.4	Strengthen links between the SFAA and both the Local Economy Team and Business Improvement Districts to support future collaboration around the wider determinants of food insecurity, as well as potential to find enterprising solutions to support more affordable food options locally.	SFAA, Council, BIDS
5.1.5	Encourage employers we work with to support a sustainable food environment through: procurement; surplus food policies; a commitment to provide affordable offers for the local community; pay London Living Wage; and reduce zero-hour contracts.	SFAA, Council
5.1.6	Encourage solutions to accessing affordable healthy food in a culturally appropriate way from private retail and social enterprise.	Council, BIDS
5.1.7	Continue to work with Exchequer Services, the DWP and the Universal Credit Forum led by Community Southwark to support residents switching to Universal Credit. Include access to food support during waiting times as part of the pathway.	Council, UC Forum, DWP, SFAA
5.1.8	Keep the minimum council tax payment of 15% for vulnerable residents and protect the borough's Hardship Fund.	Council

Housing providers

5.1.9	Engage housing providers, including the Council, housing associations and PRS landlords, as partners in this work through communications, training and workshop opportunities.	SFAA, Council, Housing Associations
5.1.10	The above partners to share best practice and cross-promote	As above

	solutions to food insecurity as well as fuel poverty which residents may also be struggling with.	
5.1.11	The Council to map areas of the borough where people are in precarious housing situations (e.g. in temporary accommodation after being made homeless). Use the map to help understand where local food support interventions may be most needed.	Housing providers
5.1.12	Ensure housing staff and landlords are aware of when and where they can direct people for emergency financial support for white goods or for cheap cooking appliances, such as electric hotplates, slow cookers, rice cookers and microwaves.	SFAA, Housing providers, Council

5.2 Advocate on wider issues that affect food security

5.2.1	Gather case studies and evidence for advocacy work. Advocate for at-risk groups, such as those with NRPF or those transferring to Universal Credit.	SFAA and partners, Council
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5.3 Provide input to planning for the Brexit transition period on food security

5.3.1	Support local plans to prepare for Brexit in terms of understanding the food-support landscape. This is to help in the event of food shortages, problems with supply, inflation in food costs and access to food aid.	Council
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How to get involved in the plan

Everyone who works in, lives in or cares about Southwark can get involved.

For individuals:

- Help isolated and less mobile neighbours with shopping or by cooking an extra portion of a tasty, home-cooked meal for them.
- Invite people over for dinner who may be a little isolated or cash strapped.
- Start a local 'Casserole Club' to connect people who like to cook, with elderly neighbours who may not be able to cook for themselves. casseroleclub.com



- Bake cakes for families who are unable to provide birthday cakes for their children. freecakesforkids.org.uk
- Donate unwanted food via Olio olioex.com or sign up to claim someone else's unwanted food and stop surplus from going to waste.
- Sign up to purchase high quality surplus from food stores and restaurants at a fraction of the cost. toogoodtogo.co.uk
- Donate your home grown fruit and vegetables to a food aid organisation in the borough (see p2) or via Olio.
- Volunteer with a food project. Contact Community Southwark to be matched. communitysouthwark.org
- Join the End Hunger UK campaign and other campaigns addressing the root causes of food poverty. endhungeruk.org

For organisations, businesses, faith and voluntary groups:

- **Join the SFAA! If your organisation, business, community group or faith group wants to become part of the Southwark Food Action Alliance, please contact sfaa@communitysouthwark.org**
Membership is free. Bi-monthly meetings include guest speakers and promote network collaboration to create a more food secure Southwark.
- Make food security part of your CSR programme e.g. with a financial donation or releasing staff time/ skills to help community food projects build capacity.
- Become a London Living Wage employer and only use other contractors who pay the London Living Wage.
- Help your lower-paid staff. Create a food sharing table or fridge shelf where people can bring in their surplus food. Offer free meals at work as a perk.



Running a food drive for the Southwark foodbank in the Southwark Council lobby.

- Use an app or food rescue organisation, such as Olio, Food Cloud, Too Good To Go or Plan Zheroes, to stop your food surplus from going to waste.
- Many of our food organisations struggle with getting surplus delivered to them as they lack drivers and vehicles. Can you supply free driving or van hire?
- Do you have space that a food organisation can use for free for meetings, food storage or cooking sessions?
- Use food surplus redistribution organisations, such as, FareShare, FareShare Go, City Harvest and Plan Zheroes, to deliver food to you if you are an organisation who works with people at risk of food insecurity.



Food Security Action Plan: Equality analysis May 2019

Section 1: Equality analysis details

Proposed policy/decision/business plan to which this equality analysis relates	Food Security Action Plan. 2019.		
Equality analysis author	Sam Cowan. Rosie Dalton-Lucas.		
Strategic Director:	Kevin Fenton		
Department	Place and Wellbeing	Division	Public Health
Period analysis undertaken	May 2019		

Section 2: Brief description of policy/decision/business plan

1.1 Brief description of policy/decision/business plan

This equalities analysis relates to actions proposed in the Food Security Action Plan which will be going to Cabinet in June 2019.

The decision maker is the cabinet member for Community Safety and Public Health.

Section 3: Overview of service users and key stakeholders consulted

2. Service users and stakeholders	
Key users of the department or service	<p>The following key groups have been identified in the Southwark Council Household Food Insecurity JSNA (to be published in 2019) of being at higher risk of food insecurity:</p> <ul style="list-style-type: none"> • Individuals and families on low incomes including people reliant on benefits, people with NRPF, and low income workers (e.g. part,time workers, those on zero-hours contracts and seasonal workers). • People living in areas where there is a lack of affordable, healthy food options within easy walking distance. • People with health conditions and disabilities that impact their ability to shop and prepare meals.
Key stakeholders who were/ are involved in this policy/ decision/ business plan	<p>The Action Plan takes a wide look at creating food security, noting that although food aid is essential to have as a safety net for people in crisis, it is also important to be preventive. This includes using policy to address issues that lead to food insecurity and increasing resilience at personal, community and systems levels. Due to this systems approach, a wide range of partners across the borough have been involved in this work throughout the last year:</p> <p>This includes (but is not limited to):</p> <ul style="list-style-type: none"> • The Southwark Food Action Alliance – which is an umbrella for 60 statutory, voluntary sector, national and grassroots organisations working on food security in Southwark • A range of departments within the Council • Those with lived experience of food insecurity. <p>In September 2018, approximately 50 representatives from local organisations attended a stakeholder workshop held at Tooley Street. The event explored five areas of the plan:</p> <ul style="list-style-type: none"> • How to promote wellbeing • How to create greater resilience • How to improve access to resources and services • How to work in a more joined-up way • How to address the upstream ‘bigger picture’ issues that contribute to food insecurity.

Section 4: Pre-implementation equality analysis

Age - Where this is referred to, it refers to a person belonging to a particular age (e.g. 32 year olds) or range of ages (e.g. 18 - 30 year olds).

Potential impacts (positive and negative) of proposed policy/decision/business plan

The JSNA on Household Food Insecurity showed that there are various points across the life course when residents may be more vulnerable to food insecurity. The impacts of successful delivery of the action plan for these groups are set out below:

- **PREGNANCY AND EARLY YEARS:** More joined-up working will help low-income pregnant women and families access support around breastfeeding and healthy eating. This includes access to free vouchers for fruit and vegetables for pregnant women and children under 4 leading to:
 - Mothers being more likely to persevere with breastfeeding.
 - Improved mother-infant bonding and reduced risk of post natal-depression.
 - Improved growth and development for the infant.
- **CHILDREN AND YOUNG PEOPLE:** Actions such as supporting low-income families during school holidays (when there is no longer the dependability of a free, healthy meal at lunch time) will lead to:
 - Improved physical health including healthy weight, better dental health and reduced illness associated with poor diet.
 - Mental and cognitive wellbeing will be improved as educational attainment and mental wellbeing are supported by good nutrition.
 - Improved social wellbeing as the children's families are more able to participate in social activities that require food (e.g. birthday party / outings / having friends over).
- **THE MIDDLE-AGE AND PRE-RETIREMENT YEARS: 50-65:** Positive impacts are expected through improved access to food aid, skills development and benefit maximisation:
 - Improving diet can reduce the risk of a wide range of illnesses including mental ill-health, cancer, type 2 diabetes and heart disease.
 - The positive impact, in terms of improved nutrition, is also likely to extend to their dependents and those they have caring responsibilities towards (e.g. grandchildren, children, an ill partner or elderly parents).
- **OLDER ADULTS:** Supporting food insecure older people to improve their nutrition through access to an affordable offer from local shops, cooking support and social meals will have the following positive benefits:
 - Improved strength, reduced frailty and greater ability to recover from illness.
 - It is less costly for local health services to treat an adequately nourished older person than a malnourished one.

Equality information on which above analysis is based
<p>Southwark Council Joint Strategic Needs Assessment (JSNA) on Household Food Insecurity (draft) Feedback from stakeholders Food Poverty and Health - Faculty of Public Health - 2005 Office for National Statistics population data mid-year - 2017 British Association For Parenteral and Enteral Nutrition Nutrition Screening Survey Hidden Hunger And Malnutrition In The Elderly – APPG on Hunger – 2018 AGE UK Agenda For Later Life Survey</p>
Mitigating actions to be taken
n/a

Disability - A person has a disability if s/he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.
Possible impacts (positive and negative) of proposed policy/decision/business plan
<p>14% of people living in inner London have a disability, equating to 43,988 people in Southwark. A national study (n.413) showed that 50% of households using foodbanks had a disabled member and 33% had a member with a mental health condition. A 2018 report found that 33% of families with disabled children had taken out a loan to buy food, (compared to only 4% a decade ago).</p> <p>The action plan aims to impact positively on those who have disabilities. The positive impacts that are expected are:</p> <ul style="list-style-type: none"> — Supporting disabled people to access affordable healthy food can reduce the risk of unhealthy weight, prevent a wide range of illnesses, promote recovery from infection and improve mental wellbeing. — Through the wraparound services connected with food projects people may also be able to access support to maximise their benefits and income, develop cooking skills and gain from other resilience building projects in the community, such as helping at a community garden or participating in community meals. <p>Ensuring that food projects are accessible to disabled people will be an ongoing principle for key partners.</p>
Equality information on which above analysis is based

<p>Southwark Council Joint Strategic Needs Assessment (JSNA) on Household Food Insecurity (draft) Feedback from stakeholders DWP Family Resources Survey, 2016-2017 Financial insecurity, food insecurity and disability – Loopstra and Lalor 2017 Counting The Costs UK Report – Contact (For Families With Disabled Children) 2018</p>
<p>Mitigating actions to be taken</p>
<p>The Southwark Wellbeing Hub and Disability Hub will be key partners to work with to ensure that in developing and testing the food security pathway that food support services are accessible to people with different types of disability (e.g. mobility impaired/ learning disabilities). The plan also proposes to refine foodbank monitoring to better understand the use of at-risk groups.</p>

<p>Gender reassignment - The process of transitioning from one gender to another.</p>
<p>Possible impacts (positive and negative) of proposed policy/decision/business plan</p>
<p>No specific impacts have been identified or raised in relation to this characteristic which is not monitored. Information about service users would only be available where there is self-disclosure.</p>
<p>Equality information on which above analysis is based.</p>
<p>No monitoring data is collected on gender reassignment currently in the food support services we are aware of, and engagement so far has identified no particular impacts for this community</p>
<p>Mitigating actions to be taken</p>
<p>n/a</p>

<p>Marriage and Civil Partnership - In England and Wales marriage is no longer restricted to a union between a man and a woman but now includes a marriage between a same-sex couple. Same-sex couples can also have their relationships legally recognised as 'civil partnerships'. Civil partners must not be treated less favourably than married couples and must be treated the same as married couples on a wide range of legal matters. (Only to be considered in respect to the need to eliminate discrimination).</p>
<p>Possible impacts (positive and negative) of proposed policy/decision/business plan</p>

Although single people make up 60% of food bank referrals and 59% of those receiving food grants from the Southwark Emergency Support Scheme, couples of any kind are expected to be able to access the offer equally. Elsewhere in the proposed food support pathway there is little monitoring of marital/civil partnership status.

People in abusive relationships are at risk of food insecurity as their income for food may be withheld by a controlling partner. The plan may help to mitigate the impact of Universal Credit payments on some individuals where benefits are paid per household rather than to each individual.

Equality information on which above analysis is based

Monitoring data is not collected relating to marital status or civil partnership.

Feedback from stakeholders.

Southwark Foodbank monitoring data 2017-18 showed that single people made up 60% of their referrals (n 2,495 referrals)

Southwark Emergency Support Scheme monitoring data 2017-18 showed that single people made up 59% of those receiving food grants (n 1,295).

Mitigating actions to be taken

n/a

Pregnancy and maternity - Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth, and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding.

Possible impacts (positive and negative) of proposed policy/decision/business plan

The action plan is supportive of breastfeeding and maternal nutrition. It encourages joined-up working between Children's Centres, the Council, health professionals and other early years staff in the borough to signpost pregnant women to useful support services. Promoting Alexandra Rose vouchers and Healthy Start vouchers to low-income pregnant women and young families is also part of the plan. These vouchers entitle the recipient to £3.10 per week of free fruit, vegetables, milk and formula. For those aged under 1, the voucher value increases to £6.20 per child.

Several positive impacts have been identified:

- Supporting access to affordable, healthy food can reduce risk of unhealthy weight for mother and baby, prevent a wide range of illnesses, promote recovery from infection and improve mental wellbeing.
- Through the wraparound services connected with food projects people may also be able to access support to maximise their benefits and income, develop cooking skills and participate in other resilience building projects in the community.

Emergency food aid providers and those promoting Healthy Start vouchers need to ensure that there is a clear message about support for breastfeeding in the borough and guidance on how to use infant formula milk safely for those who can not breastfeed or

have chosen not to.
Equality information on which above analysis is based
Southwark Council Joint Strategic Needs Assessment (JSNA) on Household Food Insecurity (draft) Feedback from stakeholders First Steps Nutrition trust
Mitigating actions to be taken
The Plan calls for those working with emergency food aid to be aware of the First Steps Nutrition guidance around formula milk and foodbanks.

Race - Refers to the protected characteristic of Race. It refers to a group of people defined by their race, colour, and nationality (including citizenship) ethnic or national origins.
Possible impacts (positive and negative) of proposed policy/decision/business plan
<p>The Action Plan builds on work in the JSNA on Household Food Insecurity which recognises that race can be a factor in increased risk of food insecurity. The plan expects to have a positive impact on BAME groups in the wider community as well as those using food support services.</p> <p>The plan includes geographically targeted work in areas of deprivation. Given the higher rates of BAME residents in areas of deprivation this will provide a positive impact on improving access to healthy affordable food for the BAME as well as the wider community in those areas through:</p> <ul style="list-style-type: none"> - Access to healthier options available through fast food outlets; - Access to an improved range of affordable, healthy products in local stores; - Improved uptake of Healthy Start and Alexander Rose vouchers for fruit and vegetables <p>There is an over-representation of Black foodbank users in relation to the proportion of Black people in the general population. The plan aims to ensure food aid projects address the cultural appropriateness of the foods available in line with the local population, including people from West Africa as well as Eastern Europe, and Latin America.</p> <p>The plan also supports improved access to food for low-income people who can't access statutory support (e.g. those with NRPF) during times of crisis. Many people with NRPF are from ethnic minority groups. In combined data from Southwark Foodbank and the Central Southwark Community Hub Foodbank (n. 3,204 referrals), the third highest reason for referral is having no recourse to public funds (n.498).</p> <p>The plan will have positive impacts on NRPF families by supporting a more coordinated and networked approach to holiday hunger provision, and ultimately providing easier access to free, healthy meals for children through school holidays who are usually dependent on school lunches. NRPF families are one of the groups most likely to be at</p>

risk during this time.

Equality information on which above analysis is based

Southwark Council Joint Strategic Needs Assessment (JSNA) on Household Food Insecurity (draft)
 Feedback from stakeholders
 Qualitative research with foodbank users in Southwark (2018)
 Monitoring data collected from Southwark Foodbank and the Central Southwark Community Hub

Mitigating actions to be taken

In order to support people whose first language is not English the plan calls for identifying where advocacy and support is required to help with form filling, payment methods, translation or accessing advice digitally.

Religion and belief - Religion has the meaning usually given to it but belief includes religious and philosophical beliefs including lack of belief (e.g. Atheism). Generally, a belief should affect your life choices or the way you live for it to be included in the definition.

Possible impacts (positive and negative) of proposed policy/decision/business plan

This characteristic is largely not monitored by services involved in the action plan so it is difficult to predict the impact of the plan on people defined by their religious background.

However, the plan does call for food at community meals and food aid projects to be religiously appropriate.

The plan also recognises that faith groups are a vital partner in this work and are often a first port of call for those needing support. It is keen to work through different faith networks to signpost to resources such as Healthy Start vouchers and help with jobs and benefits. Faith groups may also be a huge source of support to those who cannot access statutory services, such as the NRPF population and asylum seekers.

We are aware that the largest foodbanks in the borough operate in church premises. Although not addressed in the action plan, there is a possibility that this could pose a barrier for those who are from another religion or who do not follow a religion.

Equality information on which above analysis is based

Feedback from stakeholders
 Faith and Health Network

Mitigating actions to be taken
Use the Faith and Health Network to extend information and support to people of all faiths and none.
Ensure that there is clear messaging from foodbanks (who operate out of faith settings) that access to their services is not dependent on religious beliefs.

Sex - A man or a woman.
Possible impacts (positive and negative) of proposed policy/decision/business plan
<p>There is no data collected in Southwark on the sex of those receiving referrals at foodbanks, so we do not know which sex may be more affected.</p> <p>The gender pay gap means that women are likely to be on lower incomes than men. Women are also more likely to be the heads of single parent families. Both of these economic factors can increase a woman's risk of food insecurity. However, single men are the group most at risk of destitution in the UK, making this demographic vulnerable, too.</p> <p>Those of both genders will benefit from having a food security plan in the borough. Women will benefit specifically from interventions aimed at pregnancy and maternity. While food support projects will promote access to support, such as training in cooking and employment skills, it may be that the hours of operation favours one gender over another for example due to predominant working patterns or childcare.</p>
Equality information on which above analysis is based
<p>Southwark Council Joint Strategic Needs Assessment (JSNA) on Household Food Insecurity (draft)</p> <p>Feedback from stakeholders</p> <p>Destitution In The UK 2018 – Joseph Rowntree Foundation – 2018</p>
Mitigating actions to be taken
It is important that solutions are accessible for those who have childcare responsibilities and that local organisations are aware that single parents and single men are groups at high-risk of being food insecure and can tailor their interventions accordingly. This will mean looking at the hours of operation for some activities.

Sexual orientation - Whether a person's sexual attraction is towards their own sex, the opposite sex or to both sexes
Possible impacts (positive and negative) of proposed policy/decision/business plan
There is no monitoring of sexual orientation of service beneficiaries at the borough's two largest foodbank networks.

Evidence suggests that those in the LGBTQ population, in particular gay men, are more likely to experience poverty than their heterosexual counterparts. People identifying as LGBTQ are also at higher risk than the heterosexual population of experiencing poor mental health due to factors such as discrimination and isolation (mental health conditions can put people at higher risk of food insecurity).

The Action Plan acknowledges that further work is required to understand the specific needs of this population and will progress this as part of a commitment to involving a wide range of partners in the food security agenda.

The impact of the plan will be to improve LGBTQ groups' engagement in the food security agenda.

Equality information on which above analysis is based

<http://www.poverty.ac.uk/editorial/poverty-and-sexual-orientation>

Mitigating actions to be taken

Reaching out to LGBTQ organisations in the borough to make them aware of the Action Plan and related food insecurity resources.

Human Rights

There are 16 rights in the Human Rights Act. Each one is called an Article. They are all taken from the European Convention on Human Rights. The Articles are The right to life, Freedom from torture, inhuman and degrading treatment, Freedom from forced labour, Right to Liberty, Fair trial, Retrospective penalties, Privacy, Freedom of conscience, Freedom of expression, Freedom of assembly, Marriage and family, Freedom from discrimination and the First Protocol

Possible impacts (positive and negative) of proposed policy/decision/business plan

Although not included in the Human Rights Act, the Universal Declaration of Human Rights encompasses the Right To Food. "Everyone has the right to a standard of living **adequate for the health and wellbeing of himself and his family, including food**, clothing, housing and medical care." South Africa and India both have the 'Right To Food' embedded as a right in their constitutions.

Having a Food Security Action Plan is a step in this direction.

Information on which above analysis is based

The Human Rights Act (1988)
Universal Declaration of Human Rights (1948)

Mitigating actions to be taken

The Action Plan calls for food support initiatives to offer wraparound services, based on the needs of the population being served. This could include access to services such as legal advice, benefit advice, housing advice and immigration advice which residents could access if they felt they were being denied their rights.

Section 5: Further actions and objectives

5. Further actions			
Based on the initial analysis above, please detail the key mitigating actions or the areas identified as requiring more detailed analysis.			
Number	Description of issue	Action	Timeframe
1	Lack of monitoring of the protected characteristics among community organisations providing food aid and support across the borough.	Encourage those who provide food aid and run community food initiatives to use more robust monitoring to build a stronger picture of how at-risk groups are using services.	Ongoing
2	Have a targeted approach which will acknowledge and address the barriers faced by certain vulnerable and harder to reach groups.	Work with community partners who already have a relationship with these groups (e.g elderly/ those with NRPF) and can advise on how to best target these groups and make them aware of resources available.	Ongoing
3	A need for further research on the needs of specific groups around food security: Eastern European, West African, Latin American , LGBTQ communities and those with disabilities.	Work with partner organisations to make links with these communities and make them aware of resources available, as well as mapping food projects that these groups may have established themselves.	Autumn/Winter 2019
4	A need for out-of-hours provision for those who work or may have a crisis at a weekend.	Compile information on what is available. If there appears to be a gap, explore with the Council and partners how this could be addressed.	Autumn/Winter 2019

5. Equality objectives (for business plans)				
Based on the initial analysis above, please detail any equality objectives that you will set for your division/department/service. Under the objective and measure column please state whether this objective is an existing objective or a suggested addition to the Council Plan.				
Objective and measure	Lead officer	Current performance (baseline)	Targets	
			2019/20	2020/21

Teams and organisations engaged in development of Southwark Food Security Plan.

Input and engagement in the plan has taken place through interviews with a range of people with lived experience of food security living in Southwark, as well as from colleagues within the following teams and organisations as part of group workshops and presentations as well as wider stakeholder interviews:

Wider stakeholders
1 st Place Children's Centre
Alexandra Rose Charity
Bags of Taste
Bermondsey and Old Southwark Constituency Office (Labour Party)
Central Southwark Community Hub
Citizen's Advice Bureau
Community Children's Dietetics and Nutrition Team (Evelina)
Community Southwark
Fareshare
Food2You (Age UK Lewisham and Southwark)
Foodcycle
Garden Organic
Guys and St Thomas' Charity
Hubbub
Ivydale Children's Centre
Job Centre Plus
Kings College London (PhD candidate working on food security)
London School of Hygiene and Tropical Medicine
Mercato Metropolitano
Nika's Kitchen
PACT
PECAN (Southwark Foodbank)
Pilgrim's Way Children's Centre
S.A.I.L Care Navigation (Age UK Lewisham and Southwark)

Southwark Food Action Alliance
SLAM
Southwark CCG, GP
Southwark Group of Tenants Organisation
Sustain – The Alliance For Better Food and Farming
Sustainable Food Cities
The Holiday Provision Network
Together Southwark
Walworth Community Garden Network

Southwark Council
Children's and Adults' Services
Community Engagement
Environment and Leisure
Environmental Health
Exchequer Team
Housing and Modernisation
Housing Strategy
Local Economy
Local Support Team
Markets Team
NRPF Team
Planning
Public Affairs and Communications
Public Health
Regeneration
Tenancy Support

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