

Overview & Scrutiny Committee

Monday 31 March 2025
6.30 pm

Ground Floor Meeting Room G02A - 160 Tooley Street, London
SE1 2QH

Supplemental Agenda No.2

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Date: 28 March 2025



Overview & Scrutiny Committee

MINUTES of the Overview & Scrutiny Committee held on Wednesday 27 November 2024 at 6.30 pm at 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Ian Wingfield (Chair)
Councillor Cassandra Brown
Councillor Maggie Browning (reserve)
Councillor Victor Chamberlain
Councillor Sabina Emmanuel (reserve)
Councillor Sam Foster
Councillor Richard Leeming
Councillor Margy Newens
Councillor Martin Seaton

**OTHER
MEMBERS
PRESENT:** Councillor Stephanie Cryan, Cabinet Member for
Equalities, Democracy and Finance

**OFFICER
SUPPORT:** Debbi Gooch, Head of Litigation, Legal Services
Everton Roberts, Head of Scrutiny

1. APOLOGIES

Apologies for absence were received from Councillor Suzanne Abachor, Councillor Laura Johnson, Councillor Catherine Rose, Councillor Irina von Wiese, and Martin Brecknell, co-opted member. Apologies for lateness were received from Councillor Victor Chamberlain.

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

There were no additional late items. Supplemental agenda No. 1 contained the presentation on the Overview of the Procurement Act 2023, Item 5 of the agenda.

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

There were no disclosures of interests or dispensations.

4. MINUTES

The Chair reported that the Minutes of the meeting were still in preparation and would be available at the next meeting for approval.

5. OVERVIEW OF THE PROCUREMENT ACT 2023

The committee received a presentation from Elaine McLester, Head of Procurement, on the implications of the Procurement Act 2023 which was due to come into effect from February 2025 (a copy of the presentation is available on the council website agenda meeting page). The committee also heard from Councillor Stephanie Cryan, Cabinet Member for Equalities, Democracy and Finance, and Clive Palfreyman, Strategic Director of Resources.

During the presentation, Elaine highlighted the key changes and new requirements. Following the presentation, questions and discussion were held around the following:

- Providing a breakdown of the procurement financial threshold contracts by department for comparative purposes, and a list of which contracts will remain under the current Public Contract Regulations (2015)
- Managerial and political oversight of procurement contracts, (in light of recently highlighted mismanagement of contracts), and procedures and processes in place built upon the legal provisions that will give security both managerially and politically to ensure that mismanagement of contracts do not arise in the future
- Consideration of barriers to SMEs, and how they can be mitigated
- Risks around resource implications in implementing the requirements of the new regulations, and how they will be mitigated
- Interpretation of social value and the weighting given to various types of contracts the council might enter into [in relation to social value]
- What framework the council could offer to local businesses to train/understand how to bid for council contracts, and how the council will try to ensure that within a period of time that local businesses are successfully obtaining contracts due to support the council has offered
- Providing a paper that sets out the council's current framework, including how many contracts have been let, how they are performing, in order to establish the trajectory of change over the next two years
- Financial thresholds, and the different economic criteria from a central London local authority context compared to elsewhere in the country
- The inclusion of 'environmental' value in addition to 'social value' in the evaluation methodology
- The council setting out procedures and guidelines focussed on SMEs to enable small businesses to develop and prepare themselves better
- The new evaluation methodology approach and how much it will really change
- Consequences of non-compliance with the legislation

- Need for adequate resourcing to support the process and associated risks
- Whether the new legislation (if had been in place) would have led to better contract management, in respect of the recently highlighted contract management failures

In responding to some of the questions, Elaine, Clive, and Councillor Cryan informed the committee of the following:

In terms of risk around resource implications, Elaine explained that officers in departments were already very busy with contract management and the planning of procurement processes, and with having to understand the new act and its obligations and making sure this was got right. In addition, internally for the central procurement team, as the subject matter experts, making sure they can support officers with the various processes. Elaine further explained that there was going to be a significant increase in the number of required notices – from currently two to up to seventeen within the life of the contract, the publication requirements of which would depend on the chosen procurement route. She advised that there were still some unknowns, but it was expected that the implications of the new regulations would be clearer within a year.

In terms of providing additional resources to the central procurement team, Clive explained that there was work to be done within the service departments to ensure that the processes that the Act dictates, and what the council wanted to do internally were efficient, digitised and automated as far as possible, for purposes of effectiveness. He advised that training and development would be required to ensure that officers have the right skills to deliver more. Clive acknowledged that consideration would need to be given to the resources available in the central procurement team, and that this was being worked through.

In respect of consideration of barriers to SMEs, Elaine advised that organisations (SME or otherwise) completed information about their company on a central digital platform once and were required to keep their information up to date on that platform, and would share a link to that data whenever they have a procurement that they were interested in applying for. Elaine qualified that the platform was not yet available for use by local authorities, and her understanding of how it operated was based on a central government trial.

In terms of removing barriers for, Elaine explained that this was very much dependent on what was being procured, and that there needed to be a balance around the risk. The aim would be for this to be captured in the officer's procurement strategy report, along with market engagement (which would include SME's), asking what were the barriers that the council may not be aware of. She advised that one of the things that could be done to reduce barriers would be to split a contract into smaller parts, or have a small lot option, this would however need to be balanced with the risk around additional benefit in the context of the delivery of a contract. Elaine stressed that there would always be a balance between risk and opportunity, and felt officers should be asked to consider it and needed to have the skills and the awareness to ensure it was properly considered.

In relation to supporting local businesses, Clive informed the committee that the council does have an interest in supporting a thriving local business community, and the council needed to ensure that its local interpretation of the Act was enabling and supporting those local businesses to be confident in working with the council going forward. He advised that the council needed to find the balance between being enabling and supportive, but also be robust and vigorous enough to make sure that the council was working with the right partners to deliver the right outcomes and value going forward. Clive highlighted that the council would be building an ongoing relationship with the business community.

In relation to Social Value, Councillor Cryan informed the committee that she and the cabinet member for Climate Emergency, Jobs and Business were doing a piece of work with the local economy team about social value and how the council could drive social value through contracts. There was a framework coming which will explain this, and how the council could get the right type of social value.

In respect of inclusion of Environment in the evaluation methodology, Elaine advised that the environmental elements were very important to everything that the council does in the delivery of the Southwark 2030 goals. She explained that some of that work may fall within the evaluation criteria, but also that some of it may fall outside of that evaluation criteria which should form part of key performance indicators to measure the requirements of the contract. Elaine further advised that one of the things that was difficult when letting a contract was trying to put everything into the smaller amounts of evaluation criteria, as it can create diminishing returns, with a significant amount of marks translating into a very small percentage of a contract (e.g. 30 marks may only end up being worth half a percent). She advised that matters such as carbon reduction may be a requirement in the contract terms and conditions as opposed to being included in the evaluation criteria. Elaine reported that she had been discussing this issue with the Climate Change team to see where these types of issues could be included as requirements of a contract, as it was much easier if they were included in a contract as an obligation rather than an evaluation criteria.

In terms of support to SME's, Clive advised the meeting that there would be a specific SME section in the report that comes forward to cabinet when seeking formal approval for the implementation of the new process.

In relation to the new evaluation methodology, Elaine explained that this was more about the Act catching up with what local authorities had already been doing and gave councils the ability to include issues such as social value provisions, without worry of falling foul of the Act. The new act was more permissive, and an acknowledgement of the concerns local authorities had, and practices councils were trying to build into their procurement processes.

With regard to non-compliance, Elaine advised that this would depend on what the non-compliance was and would attract a varying risk of challenge. Elaine further advised that there was provision within the regulations that allows for central

government to step in, the Procurement Review Unit, this would enable local authorities and central government departments to check that they are operating correctly. Elaine stressed that there was a lot to take in on the new procurement requirements and that there will be a period of adjustment for local authorities and central government to get used to how the new procurement process will work. She advised that the council was trying to take a risk-based approach about how different non-compliance may affect the council, along with appropriate mitigation, including interim arrangements that may change as officers get used to the new procurement arrangements, and the upskilling officers involved with procurement.

In terms of adequate resourcing to support the process, Clive advised that as part of the budget planning for next year he would be ensuring that support for the central procurement team and process will be appropriately resourced.

In relation to whether the new procurement framework would have made a difference to recently highlighted internal contract management failures, Clive advised that the council had worked hard at the procurement aspect [in relation to the new legislation] and that contract management side was less Act specific and more generic within the organisation in terms of the improvement journey, and not really part of the presentation to the committee. He however acknowledged the question and agreed to take this back into the organisation.

The chair thanked the officers and cabinet member for their attendance.

6. DIGITAL, CUSTOMER SERVICES AND INNOVATION

The committee heard from Dionne Lowndes, Chief Digital and Technology Officer, Dominic Cain, Director of Customer and Exchequer Services, Councillor Stephanie Cryan, Cabinet Member for Equalities, Democracy and Finance, Eddie Copeland, Director of the London Office of Technology and Innovation, and Clive Palfreyman, Strategic Director of Resources.

Councillor Cryan introduced the report. She informed the committee that the report responded to the questions around how the council liaised with residents, how it was using digital and technology to improve the experience for residents and businesses who want to make contact with the council, and making sure the council had the mechanisms in place that allow people to interact with the council in the way they wish (digitally, phone or face to face). The report also responded to the question around the approach the council was taking in relation to new technology, use of AI and how the council can use data to drive and deliver services for residents, and how it can be used within the council.

Councillor Cryan referenced the Council's Technology and Digital Strategy 2024 - 2026 (circulated with the agenda) which was agreed by cabinet earlier that year, and provided a brief overview of the pillars of the strategy which were: Smart Neighbourhoods; People Powered Digital Experience; Digital Inclusion Closing the Gap; A Well-Run Council; Data Enabled.

Dionne Lowndes, Chief Digital and Technology Officer and Dominic Cain, Director of Customer and Exchequer Services outlined the information contained in the officer report.

The following was highlighted:

- The current technology strategy covering the period 2024 -2026.
- Information relating to the key pillars of the strategy.
- Funding from the GLA for damp and mold detection sensors in housing properties.
- The building of a dark fiber network, supported by the GLA
- A focus on community-based information, which enabled residents to search for things happening in their local areas
- An ambition to build more services online
- The revision of the 'My Select' account so that it is more in tune with current technology, including access to the account by smartphones
- Work undertaken with the London Office of Technology and Innovation around understanding digital inclusion and where the council needed to focus
- The launch of the 'Springboard' skills platform which allows people to do Information Technology based qualifications online, without any cost to them – initiative promoted through libraries, and will also be promoted through community networks
- The use of Microsoft as a platform and associated tools as part of the 'well run council', including the roll out of the latest version which included 'Co-pilot' which uses generative 'AI'
- Cyber security training for staff
- Whole council laptop refresh – current laptops coming to end of life, initially rolled out in 2020. Used laptops to be repurposed into the community, as part of the laptop refresh
- Refresh of WiFi in council building,
- Ensuring frontline workers have technology and access to workplace information that they were previously excluded from.

Dominic Cain highlighted several technology and integration developments which was making ease of access better for customers. Dominic highlighted the following:

- Back office to front office integration – (example) Applying for council tax single occupancy discount, a person could apply online and the information provided would go straight into the back office system without the need for the manual processing of that information. The same would apply if someone was moving into or within the borough. This enabled the generation of efficiencies which freed up resource to enable officers to focus on other activities.
- Within the environment depart, there were a number of enabled services

such as missed bin collections, or requesting a new bin, 'Smarts' (technology for people who were particularly vulnerable), the council was moving towards digitally enabling that system, which would involve replacing the analogue systems within their homes – there was a significant programme of work around this.

- Back-office processes, which used automation such as the processing of an invoice – this reduced the processing time from 25 minutes to four minutes for each invoice that was generated within the system. There was a programme of work looking at further automation across a number of different areas with a current focus around council tax and benefits and would be further rolled out across other areas within the council.
- In terms of customer relationship and management, this was fairly light touch but in some areas there was greater use of it and more integration. Areas around housing would see further work to ensure processes are more efficient going forward.

Eddie Copeland, Director of the London Office of Technology and Innovation (LoTI) gave a presentation on the work of LoTI, initiatives happening across London and how Southwark was involved with this.

Eddie advised that LoTI was London's local government collaborative innovation community, and was there to help London boroughs work together to bring the best of innovation, data and technology in order to improve public services, and tackle some of London's big issues such as climate change, social care reform, exclusion, cost of living crisis and so on. LoTI was a team based within London Councils, representing boroughs interests on many different issues. LoTI was there to help boroughs do what they want to do on all things digital. There was a recognition that the big issues such as climate change, pandemics, homelessness, flooding and pollution did not respect borough boundaries, and to understand these issues and design good solutions that responded to residents' needs, it was necessary to see how problems transcended local authority boundaries.

Eddie highlighted the following benefits of being a member of LoTI:

- Technology tended to deliver most value when done at scale
- Learning from boroughs across London and sharing what does and doesn't work – learning faster together
- LoTI helped boroughs with staff and recruitment, looking at how local authorities are developing an innovation culture – having the people with skills, who understand how to use digital tools, data and innovation
- LoTI helped local authorities with new technology, and also with big legacy systems
- LoTI helped with the collection and joining up of data, with neighbouring authorities so that it can be seen how issues transcend borough boundaries.
- Looking at how LoTI can help local authorities with net zero, housing, social care and digital exclusion

- Members of LoTI can save money – having access to research and work undertaken by other member organisations
- Members can access external funding through LoTI (central government and Mayor's Office)
- Members get direct support from LoTI, along with member colleagues sharing ideas, knowledge and best practice
- LoTI have been building a library of what technologies councils are using for their many different services, and share the intelligence of what does and doesn't work and quality of suppliers with its members
- LoTI works with tech UK, who help them broker conversations with smaller technology suppliers
- LoTI helped with cyber security, and would be scanning the major suppliers who provide to most London local authorities, checking if they have cyber vulnerabilities.

In respect of AI, Eddie stressed that there was a lot of interest in AI across local government, but cautioned that AI alone was not going to solve all the issues in local government but was a very useful tool. Eddie gave several examples where AI was working:

- Social care - A significant amount of officer time was spent doing admin, taking and writing up notes, rather than being in front of people, helping them in the way that people outside would assume social workers were spending their time. Instead of social workers typing up notes on their laptop, one tool that is being tried is social workers using their mobile phone to record meetings and transcribe their case work notes. The transcript would still need to be checked and assured by the social worker.
- Waste reporting tool for residents (via mobile phone), which enables the identification of the type of issue, the location, and is sent off to the right team to deal with – this would reduce resident time in reporting these types of issues.
- Computer vision for a visual digital twin – similar to Google Street view, but a super high resolution version of that which can scan and measure everything in its visual field. With trained AI added it can give an instruction to spot all the parking bays / street signs that are obscured by a tree, or get AI to spot billboards, and advertising hoardings, and check against their business rates database and establish which businesses are not paying the rates they should be.
- Housing complaints – Time local authorities must to respond to ombudsman complaints recently reduced from 20 days to 10 days. Caseworkers spending lots of time doing the precis of the full case history. AI very good at doing a summary which could leave caseworkers with more time to solve the resident's problem.

All of these initiatives were being shared and actively discussed in the LoTI

community. Eddie also advised that there were some exciting AI opportunities in the field of housing and adult social care.

Eddie highlighted initiatives undertaken around digital exclusion, rough sleeping, damp and mould, health and social care. Eddie also informed the committee that LoTI offered lots of training and support to local authorities, including leadership sessions with chief executives and their colleagues on how to create an innovation culture. LoTI was also working with the council on digital benchmarking to see how Southwark compared against its peers.

Following the presentations, questions and discussion took place around the following:

- Whether the damp and mould detection sensors were used in temporary accommodation properties
- Whether there is an AI policy in place for council staff
- Careers in technology and digital in Southwark, and how the council was helping get under-represented groups into that field.
- Managing risks with new IT, effectiveness of products, and unforeseen costs
- Cost of the mentioned IT initiatives set out in the report
- Importance of enabling people to have access to the internet, and the reach of the digital inclusion strategy [how many people are accessing]
- Initiatives that have been trialled and are going to be implemented
- Time scale for roll out of training and a culture of the use of data into all council departments
- Raising residents awareness on capability and services to report issues to the council using digital technologies
- Whether there is a need for a local government digital service covering the whole country on the challenges for local government
- Provision available to access council services via traditional routes where digital contact is not well established
- Cyber security and making sure data is really secure
- How Southwark compares with other local authorities around digital
- Feedback on relaunch of the council website and how it will continue to evolve
- Work being undertaken to engage residents, including harder to reach residents around digital as a route to get better services
- Barriers to digital access due to illiteracy and English as a second language

Responses to some of the points and questions raised:

Damp and mould sensors - Dionne explained that the council was undertaking a small pilot, just in the council's own properties at this stage.

Policy for AI use - Dionne explained that the Co-pilot AI was open to 300 staff

users in different departments across the organisation, and those staff have been asked to consider what they want to use if for and have made a collaboration around using it in a safe space and created a policy around that. No sensitive data should be used or shared, so there are boundaries around data and accountability and officers were accountable for that information. There was a policy which was continually being developed. Work around this was also undertaken with LoTI.

Careers in technology - Dionne explained that one of the programmes across Southwark was 'Digital Together' – there were over 100 digital champions who are able to access free training on digital, and that was about ensuring that the workforce have technology skills. There was also the Southwark Academy, where the council was using the apprentice levy for people to do qualifications in data and AI ethics - there were over 80 staff currently undertaking that training at no cost to Southwark. This was about building the capability and knowledge in the organisation for whole scale transformation where officers in service departments can have a holistic view of how technology can support their service. With the Digital Together and Southwark Stands Together programme, the council had seen people seconded into roles and get promotions. The council had also been involved in running Tech events, and encouraging female staff to attend, to be thought leaders in technology and be inspired.

Councillor Cryan indicated that there were some local initiatives that could be done at Ward level in terms of attracting women and girls into science, technology, engineering, and mathematics (STEM), such as councillors, when receiving funding applications through 'Neighbourhood Funds' and similar funding and considering the benefits. Councillor Cryan reported that Central London Forward had been doing work around getting women and girls into STEM as well.

RESOLVED:

1. That the report be noted.
2. That a report be received at a future meeting setting out more granular detail and the milestones of delivery, and public feedback in relation to the council website.

7. IMPLEMENTING MECHANISMS TO ENHANCE COMMUNITY PARTICIPATION IN THE SCRUTINY PROCESS

The committee heard from Jessica Leach, Head of Community Engagement on increasing community participation in the scrutiny process.

Jessica gave a presentation on the new 'Engage@Southwark' platform which allowed residents to get involved in various projects and receive notifications on topics of interest. Jessica indicated the possibility of setting up a page on the engage platform devoted to scrutiny. This would allow scrutiny to better engage with residents.

Jessica advised the committee that there were three core connections of engagement that the council had, and were around:

- Consultation involvement team, which did a lot of work around amplifying diverse voices which included lots of different networks around this such as the voluntary and community sector, and the faith sector
- Neighbourhoods team, which focused on empowering communities and the neighbourhoods' work. This team had connections with neighbourhoods based on Place.
- Resident Involvement Team, which engaged with Tenants and Residents Associations

There was potential for these engagement teams to support the work of scrutiny based on the particular area of scrutiny focus.

Following Jessica's introduction, questions and discussion took place around the following:

- Receiving suggestions from residents on scrutiny topics for review
- Combatting social media algorithms amplifying rage, criticism, bad news and the rise of disinformation and misinformation
- Holding scrutiny meetings in venues across the borough, and alternative forms of scrutiny formats for gathering evidence
- Receiving community evidence online
- Mechanisms for disseminating information to the public on up-coming scrutiny topics
- Alternative forms of engagement with residents.

8. SCRUTINY IMPROVEMENT REVIEW IMPLEMENTATION - UPDATE

This item was deferred to the next meeting.

9. WORK PROGRAMME

The committee discussed the inclusion of the Judgement from the Regulator of Social Housing onto the next meeting agenda.

RESOLVED:

That the work programme as at 27 November 2024 be noted.

The meeting ended at 9.56pm

CHAIR:

DATED:

OVERVIEW AND SCRUTINY COMMITTEE

MUNICIPAL YEAR 24/25

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