

## Cabinet

Tuesday 17 January 2023

11.00 am

Ground Floor Meeting Rooms, 160 Tooley Street, London SE1 2QH

### Membership

Councillor Kieron Williams (Chair)  
Councillor Jasmine Ali

Councillor Evelyn Akoto  
Councillor Stephanie Cryan  
Councillor Dora Dixon-Fyle MBE  
Councillor James McAsh

Councillor Darren Merrill  
Councillor Catherine Rose  
Councillor Martin Seaton

### Portfolio

Leader of the Council  
Deputy Leader and Cabinet Member for  
Children, Young People, Education and  
Refugees  
Health and Wellbeing  
Communities, Equalities and Finance  
Community Safety  
Climate Emergency and Sustainable  
Development (maternity cover)  
Council Homes and Homelessness  
Leisure, Parks, Streets and Clean Air  
Jobs, Business and Town Centres

---

### INFORMATION FOR MEMBERS OF THE PUBLIC

---

#### Access to information

You have the right to request to inspect copies of minutes and reports on this agenda as well as the background documents used in the preparation of these reports.

#### Babysitting/Carers allowances

If you are a resident of the borough and have paid someone to look after your children, an elderly dependant or a dependant with disabilities so that you could attend this meeting, you may claim an allowance from the council. Please collect a claim form at the meeting.

#### Access

The council is committed to making its meetings accessible. Further details on building access, translation, provision of signers etc for this meeting are on the council's web site: [www.southwark.gov.uk](http://www.southwark.gov.uk) or please contact the person below.

#### Contact

Email: [paula.thornton@southwark.gov.uk](mailto:paula.thornton@southwark.gov.uk); [constitutional.team@southwark.gov.uk](mailto:constitutional.team@southwark.gov.uk)

---

Members of the committee are summoned to attend this meeting

#### Althea Loderick

Chief Executive

Date: 9 January 2023



# Cabinet

Tuesday 17 January 2023  
11.00 am

Ground Floor Meeting Rooms, 160 Tooley Street, London SE1 2QH

## Order of Business

Item No.	Title	Page No.
	<b>PART A - OPEN BUSINESS</b>	
	<b>MOBILE PHONES</b>	
	Mobile phones should be turned off or put on silent during the course of the meeting.	
1.	<b>APOLOGIES</b>	
	To receive any apologies for absence.	
2.	<b>NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT</b>	
	In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting.	
3.	<b>NOTICE OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING, AND ANY REPRESENTATIONS RECEIVED</b>	1
	To note the items specified which will be considered in a closed meeting.	
4.	<b>DISCLOSURE OF INTERESTS AND DISPENSATIONS</b>	
	Members to declare any interests and dispensations in respect of any item of business to be considered at this meeting.	
5.	<b>MINUTES</b>	2 - 16
	To approve as a correct record the minutes of the open section of the meeting held on 6 December 2022.	

Item No.	Title	Page No.
6.	<b>PUBLIC QUESTION TIME (15 MINUTES)</b>	
	To receive any questions from members of the public which have been submitted in advance of the meeting in accordance with the cabinet procedure rules. The deadline for the receipt of public questions is midnight Wednesday 11 January 2023.	
7.	<b>DEPUTATION REQUESTS</b>	
	To consider any deputation requests. The deadline for the receipt of a deputation request is midnight Wednesday 11 January 2023.	
8.	<b>POLICY AND RESOURCES STRATEGY 2023-24 TO 2025-26 UPDATE</b>	To follow
	To note issues associated with the policy and resources strategy and agree recommendations.	
9.	<b>POLICY AND RESOURCES STRATEGY: REVENUE MONITORING REPORT, INCLUDING TREASURY MANAGEMENT 2022-23</b>	To follow
	To note the forecast revenue outturn position, including treasury management	
10.	<b>POLICY AND RESOURCES - CAPITAL PROGRAMME UPDATE 2022-23</b>	To follow
	To note the capital monitoring position and any amendments to the capital programme.	
11.	<b>APPROVAL OF THE HOUSING REVENUE ACCOUNT BUDGET 2023-24 AND RENT SETTING</b>	To follow
	To agree recommendations associated with the housing revenue account rent setting and budget for 2023 – 2024.	
12.	<b>GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL - SOUTHWARK WORKS EMPLOYMENT SUPPORT COMMISSIONING FRAMEWORK</b>	17 - 96
	To approve the procurement strategy for the Southwark Works Employment Support Commissioning Framework for four years commencing on 1 July 2023.	

Item No.	Title	Page No.
13.	<b>GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL - VOIDS AND TEMPORARY ACCOMMODATION VOIDS WORKS FOR CONTRACTS A, B C &amp; D</b>	97 - 115
	To approve the procurement strategy to undertake a restricted tender procedure for four voids and temporary accommodation voids contracts.	
14.	<b>TUSTIN ESTATE - APPROPRIATION OF LAND FOR PLANNING PURPOSES</b>	116 - 129
	To approve the appropriation of land to facilitate the carrying out of development proposals for the area.	
15.	<b>GATEWAY 3 - VARIATION DECISION - CONTRACT FOR THE SUPPLY OF AGENCY WORKERS</b>	130 - 140
	To approve the extension of the council's contract with Comensura for a period of up to nine months starting on 1 April 2023.	
16.	<b>GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL - CONTRACT FOR THE SUPPLY OF AGENCY WORKERS</b>	141 - 156
	To approve the proposal to let a new contract for the supply of agency workers via Lot 1 of the Eastern Shires Purchasing Organisation (ESPO) framework Managed Services for Temporary Agency Resources (MSTAR3).	
17.	<b>AUTHORISATION OF DEBT WRITE-OFFS OVER £50,000 FOR NATIONAL NON DOMESTIC RATES - REVENUES AND BENEFITS SERVICE</b>	157 - 165
	To approve the write off for two debts which are irrecoverable.	
18.	<b>MOTIONS REFERRED FROM COUNCIL ASSEMBLY - 23 NOVEMBER 2022</b>	166 - 184
	To consider the following motions referred from council assembly 23 November 2022:	
	<ul style="list-style-type: none"> <li>• Good quality housing is a human right: the plan for Southwark</li> <li>• Council funding crisis: We need a general election now</li> <li>• Councils for Fair Democracy</li> <li>• Free school meals for all primary school children</li> <li>• Tackling food poverty</li> <li>• Care leaver as a protected characteristic</li> <li>• Free period products in Southwark Council buildings</li> <li>• The Home Office and the unacceptable backlog of visa cases.</li> </ul>	

Item No.	Title	Page No.
19.	<b>APPOINTMENTS TO OUTSIDE BODIES 2022-23 - VARIOUS</b>	185 - 187

To consider the appointment to a number of outside bodies for 2022-23.

**DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE START OF THE MEETING**

**EXCLUSION OF PRESS AND PUBLIC**

The following motion should be moved, seconded and approved if the cabinet wishes to exclude the press and public to deal with reports revealing exempt information:

“That the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 1-7, Access to Information Procedure Rules of the Constitution.”

**PART B - CLOSED BUSINESS**

- 20. TUSTIN ESTATE - APPROPRIATION OF LAND FOR PLANNING PURPOSES**

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

Date: 9 January 2023



## **Notice of Intention to conduct business in a closed meeting, and any representations received**

### **Cabinet 17 January 2023**

The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 require that the council give a 28 notice period for items to be considered in private/closed session. This has been implemented through the publication of the council's forward plan.

The council is also required under these arrangements to give a further five days notice of its intention to hold the meeting or part of the meeting in private/closed session and give details of any representations received in respect of the private meeting.

This notice issued in accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 is to confirm that the cabinet meeting to be held on 17 January 2023 at 11.00am, 160 Tooley Street, London SE1 2QH will be held partly in closed session for consideration of the following items listed on the agenda:

#### **Item 20:** Tustin Estate - Appropriation of Land for Planning Purposes

The proper officer has decided that the agenda papers should not be made available to the press and public on the grounds that they involve the likely disclosure of confidential or exempt information as specified in categories 1 - 7, of the Access to Information Procedure Rules of the Constitution. The reason for both reports is that they contain information falling within category 3: information relating to the financial affairs of any particular person (including the authority holding that information).

In most cases an open version of a closed report is produced and included on the agenda.

No representations have been received in respect of the items listed for consideration in closed session. Any representations received after the issuing of this notice will be reported at the meeting.

Paula Thornton  
For Proper Constitutional Officer

**Dated:** 9 January 2023



## Cabinet

MINUTES of the OPEN section of the Cabinet held on Tuesday 6 December 2022 at 11.00 am at the Council Offices, 160 Tooley Street, London SE1 2QH

---

**PRESENT:** Councillor Kieron Williams (Chair)  
Councillor Jasmine Ali  
Councillor Evelyn Akoto  
Councillor Stephanie Cryan  
Councillor Dora Dixon-Fyle MBE  
Councillor James McAsh  
Councillor Darren Merrill  
Councillor Catherine Rose  
Councillor Martin Seaton

### 1. APOLOGIES

All members were present.

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

The chair gave notice of the following late items:

- Item 07: Deputation report
- Item 12: Policy and Resources Strategy 2023-24 to 2025-26 update
- Item 13: Council Tax Base 2023-24
- Item 14: Indicative Housing Revenue Account and Rent Setting
- Item 20: Strategic Management update.

Reasons for urgency and lateness will be specified in the relevant minutes.

**3. NOTICE OF INTENTION TO CONDUCT BUSINESS IN A CLOSED MEETING, AND ANY REPRESENTATIONS RECEIVED**

There were no closed items for this meeting.

**4. DISCLOSURE OF INTERESTS AND DISPENSATIONS**

There were none.

**ANNOUNCEMENT - OFSTED INSPECTION OF CHILDREN SERVICES**

Councillor Jasmine Ali, deputy leader and cabinet member for children, young people, education and refugees was delighted to announce the good result of the Ofsted inspection for children services. The authority was rated 'good' in all categories of its social care and safeguarding of children in the borough. The report highlighted that: "children are at the heart of practice in Southwark".

Specific mention was made in the report for the support to care-leavers. They all talked about how well they had been supported across every aspect of their lives. They told inspectors that Southwark is a "special council" and "like family to them."

Cabinet expressed their thanks to all the staff for their hard work and dedication.

**5. PUBLIC QUESTION TIME (15 MINUTES)**

There were none.

**6. MINUTES**

**RESOLVED:**

That the minutes of the meeting held on 18 October 2022 be approved as a correct record and signed by the chair.

**7. DEPUTATION REQUESTS**

The report had not been circulated five clear days in advance of the meeting. The chair agreed to accept this item as urgent (the request had been received in line with the council's constitutional deadline for the receipt of deputation requests).

**RESOLVED:**

1. That the deputation request from residents of Astbury Road Area Residents' Association (ARARA) in respect of the movement of extremely

large vehicles in the Astbury Road, Colls Road, Dayton Grove, York Grove, Regal Row and section of Queens Road, SE15 area be heard.

2. A spokesperson for the deputation addressed cabinet for five minutes and questions were asked of the deputation for a period of five minutes.

**8. PETITION: LAYOUT OF THE REDESIGNED CALTON AVENUE/COURT LANE JUNCTION AND ACCESS**

**RESOLVED:**

1. That a petition from local residents relating to access concerns with regard to the redesigned Calton Avenue/Court Lane junction be received.
2. Spokespersons for the petition addressed cabinet for a period of five minutes and the petition was debated.

**9. SOUTHWARK STANDARDS REPORT 2021-22**

Jo Bell, primary head at St. John's and St. Clement's Church of England primary school, was in attendance to provide his input to the report.

**RESOLVED:**

That the Southwark Standards Report 2021-22 as set out in Appendix 1 of the report be noted.

**10. PLACE PLANNING ACROSS SOUTHWARK'S PRIMARY SCHOOLS: A STRATEGY FOR FUTURE-PROOFING QUALITY AND SUPPLY**

Jo Bell, primary head at St. John's and St. Clement's Church of England primary school, was in attendance to provide his input to the report.

**RESOLVED:**

That the strategy and approach for future proofing the quality of education and supply of school places, attached as Appendix 1 of the report, be agreed.

**11. CLOSURE OF ST FRANCESCA CABRINI PRIMARY SCHOOL**

**RESOLVED:**

1. That the governing body's recommendation for the closure of St Francesca Cabrini Roman Catholic Primary School from 1 September 2023 be approved.

2. The appendices of the report were considered and noted in making the decision to approve the governing body's recommendation for the closure of St Francesca Cabrini Roman Catholic Primary School from 1 September 2023.

## 12. POLICY AND RESOURCES STRATEGY 2023-24 TO 2025-26 UPDATE

The report had not been circulated five clear days in advance of the meeting. The chair agreed to accept this item as urgent as the council were committed to publishing budget proposals at the earliest possible opportunity to ensure they were available to the public for comments and questions. Presenting the report to cabinet on 6 December 2022 gave the opportunity for debate prior to presentation of budget figures to cabinet on 17 January 2023.

### RESOLVED:

1. That the outcome of the autumn statement delivered on 17 November 2022, and that the provisional local government finance settlement is due to be delivered on the 21 December 2022 (paragraphs 20-21 of the report), be noted.
2. That it be noted that before the announcement of the final local government settlement, strategic directors will continue to work with their respective cabinet members to find additional savings options.
3. That the intention to prepare a balanced one-year 2023-24 budget for recommendation by cabinet, in advance of council assembly in February 2023, be noted.
4. That it be noted that the budget proposals for 2023-24 contained within this report include:
  - Estimated government grant (settlement funding assessment) is assumed to remain cash flat at £153.65m, a reduction of £3m from the October 2022 position
  - Other grant income of £89.8m, an increase from the October position of £4.7m largely a result of the ring-fenced social care grant. The distribution of the social care grant is highly uncertain and will not be known until the provisional settlement
  - Estimated council tax revenues of £137.9m, including a council tax increase of 4.99% (2% social care precept and 2.99% general increase)
  - A forecast deficit on the collection fund in 2022-23 of £4.4m after allowing for spreading adjustments – this will be offset by government funding set aside for this purpose
  - Pay provision, contractual inflation and energy price inflation of £25m.
5. That it be noted that the Greater London Authority (GLA) is expected to

increase its council tax precept and that given current circumstances, including Transport for London (TFL) finances, this increase could be significant.

6. That it be noted that GLA council tax precept is due to be set on the 23 February 2023, therefore a council tax setting committee will need to be convened.
7. That the current budget options proposed to help achieve a balanced 2023-24 budget be noted (Appendices B to E of the report) including:
  - Efficiency savings of £12.1m
  - Net income increase of £1.2m
  - Savings impacting on services of £1.1m
  - Commitments and growth of £4.8m.
8. That the updated budget gap for 2023-24 of £6.3m be noted.
9. That the draft fees & charges schedules at Appendix F of the report be noted.
10. That it be noted that the officers will complete further work in light of the provisional settlement, when published, to present further options and a fully balanced budget position for cabinet on 17 January 2023.
11. That the initial departmental narratives at Appendix A of the report, pending further detail in January be noted.
12. That it be noted that equality impact assessments are ongoing and that a cumulative impact assessment will be presented to cabinet as part of the budget update in January.
13. That officers be instructed to undertake further consultation for new budget options where necessary or appropriate.
14. That it be noted that the report to cabinet on 17 January 2023 will be considered by overview and scrutiny committee on 23 January and that any recommendations arising will be incorporated into the final report to cabinet in February 2022 for recommendation to council assembly on 22 February 2023.

### **13. COUNCIL TAX BASE 2023-24**

The report had not been circulated five clear days in advance of the meeting. The chair agreed to accept this item as urgent as the council tax base calculation for 2023-24 needed to be made between 1 December 2022 and 31 January 2023. The figure was used for revenue budget setting purposes and has historically been reported to members at the December cabinet.

**RESOLVED:**

1. That the council tax base for 2023-24 is set at 109,174 (107,267 in 2022-23) band D equivalent dwellings (appendix A of the report) be agreed.
2. That the schedule of discounts and exemptions in paragraph 11 of the report be approved, which remains unchanged and will continue to be effective for 2023-24 from 1 April 2023. This is including the premium applicable for long-term empty dwellings (empty at least 10 years).
3. That the assumed council tax collection level for 2023-24 should remain at 97.20% (2022-23 97.20%) noting the risks outlined in the report be agreed.
4. That the 2023-24 council tax base for St. Mary Newington parish is set at 12,509 (12,262 in 2022-23) band D equivalent dwellings be noted.
5. That the 2023-24 council tax base for St. Saviour's parish is set at 1,262 (1,229 in 2022-23) band D equivalent dwellings be noted.
6. The following be noted:
  - no changes to the council tax reduction scheme (CTRS) for 2023-24, as set out in paragraphs 18 to 22 of the report
  - any minor and consequential amendments to the CTRS written policy are to remain delegated to the strategic director of finance and governance, in consultation with the monitoring officer.
7. That the proposed continuation of the current council tax section 13a (1)(c) policy covering discretionary relief terms (refer to paragraphs 16 to 17 of the report) be noted:
  - to continue council tax discretionary relief (0% to 100%) for young people leaving Southwark council's care aged 18 to 24 years, for the period 1 April 2023 to 31 March 2024
  - to continue foster carers discretionary relief (0% to 100%), for the period 1 April 2023 to 31 March 2024.

**14. INDICATIVE HOUSING REVENUE ACCOUNT (HRA) BUDGET AND RENT SETTING 2023-24**

The report had not been circulated five clear days in advance of the meeting. The chair agreed to accept this item as urgent as the council was committed to publishing budget proposals and changes in rents and charges at the earliest opportunity to ensure they were available for consultation with tenants and

homeowners in advance of the final report being considered by cabinet on 17 January 2023. It was critical that decisions were made in good time to facilitate rent letter production and ensure that the 28-day statutory notification period can be complied with, such that the changes can be implemented and become effective from 3 April 2023.

**RESOLVED:**

1. That capped rent increase of 7% for all directly and tenant managed (TMO) housing stock within the Housing Revenue Account (HRA) (including estate voids, sheltered housing and hostels), with effect from 3 April 2023 be noted on a provisional basis. This is the maximum permitted under the government's temporary rent cap for 2023-24.
2. That the proposed voluntary commitment to cap rent increases at 7% for the council's shared ownership properties in line with the council's other housing stock as set out at paragraph 17 of the report with effect from 3 April 2023 be noted on a provisional basis.
3. That the changes to tenant service charges, comprising estate cleaning, grounds maintenance, communal lighting and door entry maintenance as set out in paragraphs 34-35 of the report with effect from 3 April 2023 be noted on a provisional basis.
4. That the proposed changes to sheltered housing service charges as set out in paragraphs 36-38 of the report with effect from 3 April 2023 be noted on a provisional basis.
5. That the proposed changes to charges for garages and other non-residential facilities as set out in paragraphs 39-40 of the report with effect from 3 April 2023 be noted on a provisional basis.
6. That the proposed change to district heating and hot water charges, including metered charges as set out in paragraphs 41-58 of the report with effect from 3 April 2023 be noted on a provisional basis.
7. That the proposed one-off match funding for discretionary housing payments (DHP) for 2023-24 as set out in paragraph 70 of the report be noted on a provisional basis.
8. That the proposed budget movements for 2023-24 as set out in Appendices C to E of the report be noted on a provisional basis.
9. That the commitment to ensure that savings proposals are primarily based on efficiencies be reaffirmed, and where staffing reductions form part of any savings proposal, that due consultation and process is followed with trade unions.

10. That officers be instructed to provide a final report on rent setting and the HRA Budget for 2023-24, following consultation with residents, for final consideration at their meeting on 17 January 2023.

## **15. THE THRIVING HIGH STREETS FUND**

### **RESOLVED:**

1. That the proposals set out for a £1.4m thriving high streets fund (THSF) programme be approved.
2. That an allocation of £460,000 revenue funding from the UK Shared prosperity fund to invest in the thriving high streets fund (THSF) grants programme for three years 2022-23 to 2024-25 in line with the grant agreement agreed with the Greater London Authority (GLA) (pending) be approved.

## **16. STREETS FOR PEOPLE**

### **RESOLVED:**

1. That the need to take further action to deliver the council ambition for healthier neighbourhoods, cleaner air, thriving town centres and safer roads by providing opportunities for active travel and improving streets in the borough through council wide policies be noted.
2. That it be noted that a comprehensive programme of community engagement will be delivered to ensure residents have an opportunity to inform the design and use of roads in their neighbourhoods.
3. That it be noted that this programme will commence with the launch of the consultation process on Southwark's Sustainable Transport Strategy (previously referenced as The Movement Plan).
4. That the timetable for all subsequent local area based consultative processes, required to deliver the council ambition for healthier neighbourhoods, cleaner air, thriving town centres and safer roads, to be brought to cabinet early in the New Year be noted.

## **17. AIR QUALITY STRATEGY & ACTION PLAN (2023 - 2027) AND AIR QUALITY MANAGEMENT AREA**

### **RESOLVED:**

That the Air Quality Action Plan 2023 – 2027 at Appendix 1 of the report, and Air Quality Management Area at Appendix 2 be approved.

**18. SOUTHWARK DISTRICT HEATING NETWORK LOCAL DEVELOPMENT ORDER****RESOLVED:**

1. That a draft District Heating Network Local Development Order (Appendices A and B of the report) be approved for public consultation.
2. That the equalities impact analysis which is in Appendix C of the report be noted.
3. That it be noted that the council has made an environmental impact assessment (EIA) screening opinion and has resolved that the Local Development Order does not comprise development which requires EIA.

**19. DRIVING UP STANDARDS FOR THE PRIVATE RENTED SECTOR - PHASE 2****RESOLVED:**

1. That the success of the first phase of the pilot scheme for licensing which comprised of (1) a borough wide additional licensing scheme for houses of multiple occupation that are not licensable under the mandatory scheme, and (2) designations 1 and 2 of selective licensing for all private rented sector homes that aren't licensable under mandatory or additional licensing and focused on the wards with most need be noted.
2. That the introduction of a 5-year selective licensing scheme (designation 3) comprising of 4 wards; North Walworth, Nunhead & Queens Road, Old Kent Road and Peckham as detailed in Appendix 1 of the report be agreed.
3. That the introduction of a 5-year selective licensing scheme (designation 4), comprising of 10 wards; Camberwell Green, Chaucer, Dulwich Hill, Dulwich Wood, London Bridge & West Bermondsey, Peckham Rye, Rotherhithe, Rye Lane, South Bermondsey and Surrey Docks as detailed in Appendix 2 of the report be agreed.
4. That it be agreed that officers make an application to the Secretary of State for the Department for Levelling Up, Housing and Communities for approval of designations 3 and 4 of selective licensing.
5. That authority be delegated to the strategic director of environment and leisure to make any minor amendments to the schemes as necessary during the 5-year duration, for the effective administration of the schemes.

## 20. SENIOR MANAGEMENT UPDATE

The report had not been circulated five clear days in advance of the meeting. The chair agreed to accept this item as urgent as a decision on the proposals was required in December to ensure the proposed reorganisation could be finalised and implemented in line with the published reorganisation timetable. This would ensure the council's senior management structure is aligned to the priorities and commitments contained in the Council Delivery Plan without undue delay; it will also mean that colleagues affected by the reorganisation receive confirmation of its personal impact in line with the timescales they are expecting.

### RESOLVED:

1. That the proposed reorganisation of the council's senior management structure, which includes proposals to delete five posts graded G18 and above, create five posts graded G18 and above, and reallocate functions between departments be noted.
2. That it be noted that these proposals are subject to consultation with affected employees and trade union representatives.
3. That authority be delegated to the chief executive, as the council's head of paid service, to finalise and implement the proposed reorganisation, including the creation of any posts graded G18 and above, once the consultation period has closed and all consultation responses have been taken into account.
4. That it be noted that the proposals in the report will be followed by proposals for a further phase of reorganisation, which will be developed by March 2023.

## 21. ADOPTION OF STATEMENT OF COMMUNITY INVOLVEMENT (SCI) AND DEVELOPMENT CONSULTATION CHARTER (DCC)

### RESOLVED:

1. That the updated statement of community involvement (SCI) at Appendix A to the report be approved and adopted.
2. That the development consultation charter (DCC) at Appendix B to the report be approved and adopted, noting that it forms part of the statement of community involvement.

## 22. ELEPHANT AND CASTLE TOWN CENTRE - COMPULSORY PURCHASE ORDER

### RESOLVED:

That it be agreed:

1. Subject to the prior completion of an indemnity agreement with Elephant & Castle Properties Co. Limited ("EC"), the council makes and (subject to any necessary confirmation from the Secretary of State) implements a compulsory purchase order ("CPO") under section 226(1)(a) of the Town and Country Planning Act 1990 and section 13 Local Government (Miscellaneous Provisions) Act 1976 (and in accordance with the procedures in the Acquisition of Land Act 1981) in respect of the area edged red on the plan at Appendix A ("the Order Land") for the acquisition of the land shown coloured pink on the same plan and the creation and acquisition of new rights over the land shown coloured blue on the same plan<sup>1</sup> for the purpose of facilitating the redevelopment, development and improvement on or in relation to that land, namely a mixed use town centre redevelopment scheme including residential, retail, offices, education, assembly and leisure, a new station entrance and station box for use as a London Underground operational railway station, nightclub, commercial, business and services, access and highway works, public realm and landscaping, car and cycle parking, plant and servicing and associated and ancillary works and structures ("the Scheme") on and adjacent to the Order Land, with the land comprised within the Scheme ("the Scheme Land") being shown edged red on the plan at Appendix B of the report.
2. The director of planning and growth be authorised on behalf of the council to finalise the terms of and enter into the CPO indemnity agreement with EC to underwrite in full the council's costs and liabilities associated with the proposed CPO, including suitable security for the council's liabilities, and
3. Subject to completion of the CPO indemnity agreement referred to in recommendation 2 of the report, the director of planning and growth be authorised on behalf of the council to:
  - (a) take all necessary steps to secure the making, confirmation and implementation of the CPO, including the publication and service of all notices and the presentation of the Council's case at public inquiry should one be called.
  - (b) acquire for planning purposes all interests in land and new rights within the Order Land as may be necessary to facilitate the Scheme, either by agreement or compulsorily, including entering into negotiations with any

<sup>1</sup> Colour versions of the CPO map are attached at Appendix A of the report; a black and white version of the draft CPO map, showing the areas to be acquired (pink) as hatched black and the areas of new rights (blue) as light grey is included at Appendix L of the report.

third parties for the acquisition of their land interests and/or for new rights over their land (as appropriate), the payment of compensation and dealing with any blight notices served in connection with the CPO.

- (c) approve agreements with land owners setting out the terms for the withdrawal of objections to the CPO, including where appropriate seeking the exclusion of land or new rights from the CPO or giving undertakings as to the enforcement of the terms of the CPO.
  - (d) make any deletions or amendments to the draft CPO map at Appendix A and/or the related draft ownership schedules of the CPO (including any minor additions) should the need arise, so as to include all interests in land and rights required to facilitate the construction, maintenance and use of the scheme.
  - (e) dispose of the land acquired from third parties pursuant to the CPO and/or through private negotiations, pursuant to section 233 of the Town and Country Planning Act 1990, in accordance with the terms of the CPO indemnity agreement.
  - (f) take all necessary actions in relation to any legal proceedings relating to the CPO, including defending or settling (as appropriate) any compensation claims referred to the Lands Chamber of the Upper Tribunal due to the making or implementation of the CPO, and to take all necessary steps in respect of other legal proceedings that relate to the making, confirmation or implementation of the CPO.
  - (g) authorise entry onto land to undertake surveys under section 172 Housing and Planning Act 2016 and/or other relevant powers.
  - (h) where necessary in the absence of agreement, to exercise powers under section 271 and/or 272 Town and Country Planning Act 1990 in respect of the extinguishment of rights of statutory undertakers and electronic communications code network operators.
  - (i) appoint and/or retain such external professional advisors and consultants as are necessary to assist the council in facilitating the Scheme, including in the promotion of the CPO and the settlement of any compensation claims.
  - (j) take all necessary, ancillary or incidental steps to give effect to the recommendations in the report.
4. That the corrections/update set out in paragraph 4 of the addendum report be noted.

## 23. FUNDING PROSPECTUS

### RESOLVED:

1. That the council wide funding prospectus for the voluntary and community sector (VCS) (Appendix 1 of the report) which sets out our new commitments to funding applicants be noted.
2. That the richness and diversity of the 12 regular funding programmes contained in the prospectus and how these are available to meet a wide range of community needs to ensure that Southwark remains a dynamic, diverse, responsive and supportive council be noted. In 2022, 402 grants have been made with the smallest £500 and 62 contracts with the largest over £6m.
3. That the principles, commitments and purpose that underpin the funding programmes be noted and how these frame the prospectus as a practical guide to how we provide funding as well as setting out how we will meet the challenges that emerged from the reviews.
4. That the following changes to working practice set out in the prospectus be noted.
  - We will monitor funding to our Black, Asian and minority ethnic led organisations across our grants programmes. Where there is evidence of gaps, we will target funding for those groups and work to close the gap.
  - We will commit to ensuring there is funding support to our different communities and have started to collect information that will tell us whether organisations applying for funding are led by people from our diverse communities. This will ensure that funding reaches organisations that reflect the population of the borough.
  - We will still collect information that tells us which communities VCS organisations are working with and will ensure that there is support to organisations who have not received council funding before to apply for funding.
  - Assessment panels for grant making will include community representatives from outside the council.
5. That it be noted that a review of the current VCS outcomes framework is currently underway so that is aligned with the council delivery plan and will be brought to cabinet in summer 2023.

## 24. PROGRESS WITH INSOURCING OF LEISURE SERVICES

### RESOLVED:

1. That the progress that has been made towards delivery of the leisure insourcing, including the challenges, opportunities and management of risk

associated with this programme be noted.

2. That the staffing structure that has been developed across the centres, modelled around the TUPE transfer, with a supporting management structure and an initial mobilisation team structure be noted.
3. That work underway on developing new branding, to ensure a strong and easily identifiable brand is created for the council's leisure services, which clearly defines the service within the community and within the wider leisure sector be noted.
4. That the ongoing work associated with harmonisation of terms and conditions in line with TUPE regulations, and in discussion with the recognised Trade Unions be noted.
5. That the financial target operating model that is being developed, to underpin the delivery of the service after transfer be noted.

**25. GATEWAY 1 - PROCUREMENT STRATEGY APPROVAL FOR SOLICITORS FRAMEWORK**

**RESOLVED:**

1. That the procurement strategy outlined in the report to use the London Boroughs Legal Alliance (LBLA) Solicitors Framework to provide solicitor services to the council for a maximum period of three years and four months from 24 March 2023 at an estimated annual value of £2.7m and an estimated total value of £9.m be approved.
2. That it be noted that the LBLA management fee of £11,434 per annual is for both the Barristers Framework and the Solicitors Framework.
3. That approval of the Gateway (GW) 2 contract award decision to join the LBLA Solicitors Framework be delegated to the strategic director of finance and governance.

**26. REPORT OF THE ENVIRONMENT AND COMMUNITY ENGAGEMENT SCRUTINY COMMISSION: STREAMLINING PLANNING APPLICATIONS FOR RETROFIT AND RENEWABLE ENERGY**

**RESOLVED:**

That the recommendations in the scrutiny review report: streamlining planning applications for retrofit and renewable energy (Appendix A of the report) as set out in section three, page two, of the report be considered and that the relevant cabinet member reports back within

eight weeks.

## **27. APPOINTMENTS TO OUTSIDE BODIES - MOUNTVIEW**

This nomination was deferred.

### **EXCLUSION OF THE PRESS AND PUBLIC**

That the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in category 3 of paragraph 10.4 of the access to information procedure rules of the Southwark Constitution.

The following is a summary of the decisions taken in the closed part of the meeting.

## **28. MINUTES**

### **RESOLVED:**

That the minutes of the closed section of the cabinet meeting held on 18 October 2022 be approved as correct record and signed by the chair.

The meeting ended at 1.30pm.

**CHAIR:**

**DATED:**

**DEADLINE FOR NOTIFICATION OF CALL-IN UNDER SECTION 17 OF THE OVERVIEW AND SCRUTINY PROCEDURE RULES IS MIDNIGHT, WEDNESDAY 14 DECEMBER 2022.**

**THE ABOVE DECISIONS WILL NOT BE IMPLEMENTABLE UNTIL AFTER THAT DATE. SHOULD A DECISION OF THE CABINET BE CALLED-IN FOR SCRUTINY, THEN THE RELEVANT DECISION WILL BE HELD IN ABEYANCE PENDING THE OUTCOME OF SCRUTINY CONSIDERATION.**

<b>Item No.</b> 12.	<b>Classification:</b> Open	<b>Date:</b> 17 January 2023	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 1 - Procurement Strategy Approval Southwark Works employment support commissioning framework	
<b>Ward(s) or groups affected:</b>		All wards	
<b>Cabinet Member:</b>		Councillor Martin Seaton, Jobs, Business and Town Centres	

### **FOREWORD - COUNCILLOR MARTIN SEATON, CABINET MEMBER FOR JOBS, BUSINESS AND TOWN CENTRES**

Our Council Delivery Plan 2022-26 sets out our commitment to a thriving and inclusive economy. As part of this commitment we will continue our hard work to create jobs and training opportunities for our residents and to provide free support to those residents who face the most barriers to employment.

Southwark Works is central to delivering on this commitment. It has successfully provided support to Southwark residents and employers for nearly 20 years as the council's flagship employment service, supporting many thousands of people into work. It has proven itself an exemplar model for a local employment support programme, often outperforming equivalents.

Southwark Works is valued by residents, employers and stakeholders alike and plays a key role supporting residents in Southwark who otherwise may not have access to employment support; providing specialist, individualised advice for those further from the labour market. We know that the vast majority of our unemployed residents want to work and we also know that employment not only lifts people out of poverty through increased income, but it can also help to improve mental and physical wellbeing, and provide people and communities with a greater sense of purpose and agency. Simply put, Southwark Works changes people's lives for the better.

Since the latest Southwark Works contracts were commissioned, global, national and local economies have suffered a series of shocks, most notably the public health crisis, Covid-19. This, Brexit, the cost of living crisis and other macro-economic factors have had and will continue to have a profound and far-reaching impact on Southwark's economy and labour market, compounding pre-existing economic inequalities.

With unemployment remaining well above pre-Covid-19 levels; the rate at which unemployment is falling having slowed; current forecasts for low economic growth nationally; and the UK officially in recession, Southwark Works is more important than ever. Not only in its role supporting unemployed residents into work, but also

through helping people in work to progress to better pay and conditions and in supporting employers to meet their skills and recruitment needs.

The current Southwark Works contracts are in their final year of delivery, ending June 2023. As part of the new commissioning cycle an independent evaluation of the Southwark Works programme was commissioned to make recommendations as to what the model needs to look like to ensure we can continue to support residents who face the most barriers into work in the current and future economic climates. Those recommendations have informed the proposals set out in this report.

These proposals outline how we will commission Southwark Works for the next four years. The proposed framework commissioning approach enables us to deliver flexible, individualised employment support to those residents that need it most, and it enables the programme to react quickly to changes in the economy and labour market.

## **RECOMMENDATIONS**

That cabinet:

1. Approve the procurement strategy outlined in this report for the Southwark Works Employment Support Commissioning Framework for four years commencing on 1 July 2023, for a maximum total value of £9.26m, which will be split between:
  - a. An estimated maximum annual spend of £1.815m by Southwark Council
  - b. A total additional spend of £2m to accommodate possible future external funding sources.
2. Note that tenders for the initial call-off contracts will be invited from suppliers at the same time as inviting applications to the framework. The call off contracts will be for a period of two years with an option to extend by a further period of two years.
3. Delegates authority to the Chief Executive (or relevant senior officer with responsibility for the service) to approve the Gateway 2 report for the establishment of the framework and the award of individual call off contracts for the reasons set out in paragraph 21 and in accordance with Contract Standing Orders.

## **BACKGROUND INFORMATION**

4. Supporting residents into jobs remains a key priority for the council. Since the last Southwark Works service was commissioned in 2018, the wider national and local economies have suffered an intense shock caused by the public health crisis, Covid-19. This and Brexit have had and will continue to have a profound and far-reaching impact on Southwark's local economy. In addition, significant increases to the cost of living and the UK recession threaten to drag more people into poverty and further harm those who are already struggling

with daily expenses. These events have highlighted and reinforced existing economic inequalities and the manner in which these interplay with social inequalities to affect life chances in our borough.

5. Work is underway on developing Southwark 2030, the vision for how the borough will look and feel in the long term and the contribution residents, businesses, public sector partners, the voluntary and community sector, the council and others will make to deliver on that vision. The delivery of employment support for those further from work is key in helping us shape the future of the borough. The council is committed to providing opportunities to young people, through the Southwark Youth New Deal, by delivering ongoing support for vulnerable young people into jobs and apprenticeships through programmes such as Southwark Works. In addition, in September 2022 cabinet adopted a new Council Delivery Plan, which includes the commitment to a thriving and inclusive economy. The delivery plan also sets out a number of ambitions relating to employment and skills, which the council will deliver over the next four years including:
  - a. Support residents hit hardest by the cost of living crisis.
  - b. Create 2,000 green jobs for local people and open a new Green Skills Centre.
  - c. Support residents who face the most barriers to employment into jobs; delivering free support to get a job for people who face the most barriers, including young people, people with disabilities and parents and carers returning to work and third sector organisations.
  - d. Support residents to gain skills for work, creating 2,000 apprenticeships and 3,000 training opportunities so local people can take up careers in our borough's growth industries.
6. Southwark Works is the council's longstanding employment support programme and the council's key channel to deliver the thriving and inclusive economy employment ambitions.
7. Southwark Works is formed of a network of providers who offer a range of tailored employment support based on underlying needs, such as mental health, homelessness or disability. This model aims to ensure there is expertise available locally to support clients to address the range of issues that impact their ability to gain and sustain employment, whilst also providing a recruitment service for local employers.
8. The service has operated since 2004 and has supported thousands of residents to find work and change their lives; it made a considerable contribution to successive council plan targets (2014-2018 and 2018-2022) to support 5,000 people into work. The programme operates through two main elements:
  - Directly contracted employment support (through a framework agreement) for a variety of target cohorts and within key growth sectors in the borough (i.e. construction) from a variety of specialist providers (who make up the 'network').

- Network co-ordination – including network management; assessment of customers and referral to Southwark Works providers and/or external support; operation of a hub office for customers; customer record management to track progress and outcomes; providing recruitment services to local employers and organising job fairs for the network, managing the Southwark Works website and social media. The network coordination role is subject to a separate Gateway 1.

9. This Gateway 1 is in relation to the Southwark Works Framework Agreement.
10. Building on the experience of commissioning and delivering the previous Southwark Works service from 2014, in 2018 the council developed its second employment commissioning framework to procure the Southwark Works contracts. The initial contracts let from the framework started delivery in July 2019. The 2019-2023 Southwark Works framework operates over a four year period, with call off contracts awarded for a two year period with an option to extend by a further period of 2 years. The current contracts ending 30 June 2023. Mirroring this, the current Southwark Works network coordination contract was procured for a four year period in 2019 (two years + two years) and will also end on the 30 June 2023.

### Existing Framework

11. The table below provides a summary of framework lots and the providers and contracts called off from the framework in the period 2019-2023.

**Table 2: Existing framework overview**

Framework Lot		2019-2021 provider	2021-2023 provider
Lot 1 (Vulnerable Young People)	Learning difficulties	St Giles Trust	St Giles Trust
	Involvement with the CJS	St Giles Trust	St Giles Trust
	Risk of NEET	Twin Training	Twin Training
Lot 2 (Long Term Unemployed)		Renaisi	Renaisi
Lot 3 (Mental Health)		SLaM	SLaM
Lot 4 (Learning Disabilities / Difficulties)		Unity Works	Unity Works
Lot 5 (Families and Lone Parents)		JCCS Ltd	JCCS Ltd
Lot 6 (Ex-offenders)		St Giles Trust	St Giles Trust
Lot 7 (Substance Use)		St Giles Trust	St Giles Trust
Lot 8 (Homelessness)		Thames Reach	Thames Reach

Framework Lot	2019-2021 provider	2021-2023 provider
Lot 9 (Pre apprenticeship support)	No providers appointed to this lot (subsequently commissioned outside framework)	
Lot 10 (Sectors)	JCCS Ltd Get Set Step Ahead	JCCS Ltd Get Set Step Ahead
<b>Total number of contracts</b>	<b>13</b>	<b>13</b>

### 2022 External Evaluation

12. The council commissioned an independent evaluation of the Southwark Works model and service in the summer 2022 (Appendix 1). The learning from this evaluation has been key to developing proposals for the new Southwark Works service.
13. The evaluation analysed the performance of the programme over the last four years, assessing its effectiveness in the context of other employment support programmes operating across other London boroughs where possible. It also used qualitative research to examine the views of Southwark Works service users, providers and key partners, including employers. It considered the impact the service has on improving the employment outcomes for residents and identified key strengths and weaknesses.
14. In summary, headline findings from the evaluation are:
  - The model and approach are effective and should be retained.
  - Southwark Works is successful at achieving job outcomes and sustained retention, out-performing similar programmes by some distance for all of its client groups.
  - Residents report positively on the impact Southwark Works has had on their skills, employment pathways, and mental wellbeing; demonstrating the broader impact of a holistic employment service.
  - Southwark Works is successful at engaging and meeting the needs of its different priority groups with significant impact on black residents, people with disabilities and those on benefits. Nearly 20% of registered residents are currently in work (meaning 80% are not currently in employment), suggesting in-work support is needed and likely to continue to be required as residents navigate the cost-of-living crisis.
15. Key recommendations from the evaluation for adjustments to be considered in the recommissioning of the new service are:
  - **Provide additional support for people over 50** – Many of the over 50s age group who have found themselves unemployed are struggling to get back to work because of their age and / or health conditions. The pandemic has compounded pre-existing issues faced by this group in the labour market.

- **Improve outreach and engagement** – Whilst the data demonstrated priority groups had been engaged, continued investment must ensure improved reach into communities. The evaluation identified specific geographical areas of the borough that intelligence demonstrates are likely to have a particularly high need for employment support services, though historically take up of Southwark Works service has been lower than average.
- **Ensure fit with the wider employment support offer** – All current providers are reporting a significant drop in referrals into the service. This is consistent with broader employment support programmes including those commissioned and delivered by the Department of Works and Pensions (DWP). Additionally, when the current Framework was commissioned in 2018, DWP provision was limited to the Work and Health programme. Since Covid-19 there has been a growth in other support programmes available.
- **Consider a new employer engagement model** - A key area for improvement is the approach to employer engagement, with a need to improve the ability of providers to sustain long-term relationships with employers. The service should facilitate more targeted approaches for employers to connect with residents and mechanisms put in place to ensure coherence between what employers need and the skills offer. Work must also be undertaken to increase awareness among employers of the Southwark Works offer.
- **Better use data and intelligence** – Improvements can be made to the way data is collected, standardising data and the type of information that is collected to demonstrate wider impact.
- **Have more robust quality assurance** – Residents should receive the same high standard of service no matter which provider they are interacting with.
- **Ensure provision of wraparound support** – Improvements can be made to how the programme links up with the wider support offer available in Southwark, particularly for residents who will be facing the hardest impact from the cost of living crisis.

### **New service from July 2023**

16. On the basis of previous performance and feedback from the independent evaluation and other reviews, a continuation of the service model is proposed, with alterations where appropriate to further strengthen the service. Combining a framework for specialist services targeted at priority groups consistent with the Council Delivery Plan 2022-2026 commitment, together with a management and co-ordination service to ensure the most efficient collaboration between providers, ease of access for service users, standardised use of a joint customer relationship management (CRM) system and management of a shared hub office.

17. The recommendations from the evaluation detailed in paragraph 15, along with conclusions drawn from internal review and stakeholder consultation, will be addressed in the new service as follows:

i. **Removal of current framework lot 2 “long term unemployment”**

It is proposed that the current “long term unemployment” lot is removed from the new framework, with the framework being more centred on the barriers to employment rather than a characteristic of the resident seeking to gain employment.

The external evaluation demonstrated that underlying factors such as poor mental health, lack of resilience and lack of confidence are key barriers to the long term unemployed gaining employment. Residents struggle to get back into work without more intensive wraparound support, particularly support with the above issues. It is proposed that this type of support becomes more of a focus across all of the framework lots (see viii below).

Additionally, long-term unemployment support is available through the DWP’s Work and Health Programme. Removing this lot therefore makes better use of existing resources and helps reduce competition with other employment support programmes.

ii. **Removal of current framework lot 10 “sectors”**

It is proposed that officers do not recommission the current ‘sectors’ framework lot contracts. These contracts offer ‘lighter touch’ support to those closer to the labour market and engage with employers. There is currently provision for these residents provided through DWP contracts.

This proposed change is consistent with the new Council Delivery Plan commitment on supporting residents with the most barriers into jobs; those furthest away from the labour market. The local provision available for residents has increased considerably over the last four years as a consequence of additional support programmes commissioned by the DWP.

iii. **Introduction of a framework lot for supporting people over 50**

The independent evaluation demonstrated that this particular cohort have specific needs that are not currently being met elsewhere in the Framework or through externally commissioned support or national DWP provision.

Officers will design a new lot specifically to address this. Many of the over 50s age group who have found themselves unemployed are struggling to get back to work because of their age or health conditions. This group face distinct problems in the labour market which predate the pandemic, but were compounded by it.

The lot is likely to include support for carers and those with physical health disabilities.

**iv. Introduction of an “in work support” framework lot**

It is proposed that officers will design a specific “in-work support” framework lot that will focus on engaging clients who may not be receiving support through the wider network.

Many employed residents either find themselves in precarious employment, or have specific supports needs due to being at risk of becoming employed. Including provision for this type of support can help to reduce later demand for unemployment support.

All current providers have responsibility to help clients progress in work through in-work support. We know that this is important to clients though there has been limited success in the current framework in achieving this via the current method of placing in-work support output requirements across all framework contracts.

We propose to tackle this by introducing a specific lot through which a specialised service can be provided, working with teams across the council to direct the support to residents. Several pilot projects have published evaluations of what works in this area, officers will ensure this learning is built into the specification for this lot.

**v. Increased emphasis on outreach and engagement**

All providers will be asked to consider the priority groups and geographical areas the service needs to target at procurement stage, e.g. groups or areas disproportionately suffering high rates of unemployment. At contract mobilisation stage, the network coordinator and council will work with all providers to develop a shared outreach and engagement plan to be delivered jointly.

Framework providers will also have increased responsibility to work more closely with council teams to ensure they are delivering for residents known to other service areas.

**vi. Incorporating an employer engagement offer into Southwark Works**

A new contract will be commissioned outside of the Framework to solely offer employer engagement and source vacancies on behalf of the whole network. This will be subject to a separate Gateway 1 report. The service will have a key role to ensure quality vacancies are being secured.

Officers will co-design this service with providers once the Framework providers have been appointed, in order to ensure this new function meets the needs of providers and their clients. The service should facilitate more targeted approaches for employers to connect with residents and

mechanisms will be put in place to ensure coherence between what employers need and the skills offer to improve the ability of providers to sustain long-term relationships with employers. Work must also be undertaken to increase awareness among employers of the Southwark Works offer.

vii. **Improving quality assurance and measuring wider impact**

To ensure residents receive the same standard of service no matter which provider they are interacting with, the Network Coordinator will have additional responsibility to oversee the quality of service, ensuring consistency across all contracts through a more robust approach to quality assurance.

In order to measure the wider impact of the service, the specifications will include requirements to use an “Outcomes Star” model (a unique outcomes measurement tool). This will be used to help clients visualise their journey to employment, but also assist the council to demonstrate the impact of the service through its contract monitoring.

Providers need to be recording information more consistently on residents so that better analysis of take up and performance data can be used to inform the ongoing development of the programme and to pivot services where needed.

viii. **Integrate more effectively with other services**

Greater emphasis will be placed on integrating the Southwark Works service with other council services, including adult education services, housing, social care and mental health services, in order to improve access to employment support for residents already in contact with other council services.

Tighter integration with other services will ensure effective two-way referral pathways are in place to deliver bespoke client support focused on individual client needs. While current support has serviced the diverse needs of Southwark residents well, in light of the cost of living crisis and the need to encourage people back into employment, further support is needed around income and benefit maximisation, financial capability support and access to mental health services.

Specifications will be designed with this in mind and existing links to services in the council and voluntary and community sector will be strengthened.

**Summary of the business case/justification for the procurement**

18. Southwark Works is the council’s longstanding employment support service that enables the council to deliver against key commitments in the Council Delivery Plan. The Southwark Works model ensures the efficient referral of clients across types of commissioned support to meet complex and multiple

needs, as well as a means to improve referral to other statutory or third sector local services and training provision.

19. Reflecting the changing needs of the current and future labour market the Southwark Works programme delivery for 2023-2027 will need to be flexible to react to residents' needs. Taking on board the findings from an independent evaluation of the service, delivery will focus on:
  - Engaging and supporting residents with barriers to employment.
  - Engaging and supporting residents with a variety of needs to develop their skills and access and pre-employment support
  - Ensuring residents who want a better job because of low pay or insecure hours are supported
  - Working with residents to address multiple barriers to work, such as housing, health and skills.
  - Working with employers to ensure that all Southwark residents can access opportunities in the borough and employers are able to access job ready candidates (and vacancies meet the needs of residents with barriers to employment)
  - Outreach and engagement to ensure all sections of the community are accessing employment support
  - Using data and intelligence to ensure resident employment and support needs continue to be met
20. Approval for the award and establishment of the framework is sought via Chief Executive delegated authority to ensure that the framework agreement is in place to allow call-off contracts to be in place by 1 July 2023.
21. The framework has a four year timeframe and initial contracts will be let for a two year period, with the option to extend for a further period of up to two years following review. At this point the council may seek to call off a different provider from the Southwark Works employment support commission framework via mini competitions or via direct call-off. Approval for these call-off contracts will be via Chief Executive delegated authority as the maximum annual value of the individual call off contracts in the first two years of delivery will be £165,000.

### **Market considerations**

22. The specifications for the framework lot contracts require a combination of effective support for unemployed and underemployed residents with specific needs (health, housing, etc.). This capacity is to be found across a wide range of potential providers in the national, regional and local employment support market, including DWP providers, mainstream skills providers, charities and larger national/regional voluntary and community sector employment and training providers.
23. When this opportunity was last tendered in 2019, 76 responses (from 26 organisations) were received at the Selection Questionnaire, of which 39 responses met the criteria and were invited to tender at stage two 21 tenders

were received from 14 providers (VCS, SMEs, private sector and social enterprises), because they were able to bid for multiple lots. It is anticipated that a similar level of interest will be garnered for this opportunity.

24. A market engagement event is planned for December 2022 to advertise the opportunity and support providers interested in bidding. This will help ensure that the council will receive an optimal number of high quality tenders.

## KEY ISSUES FOR CONSIDERATION

### Options for procurement route including procurement approach

25. This procurement is driven by the need to deliver a fairer future for all, to achieve value for money, and provide employment services that achieve positive outcomes for residents and employers and to deliver on the Council Plan objective to Support residents who face the most barriers to employment into jobs.
26. This procurement falls under the light touch regime (LTR) as defined in the Public Contracts Regulations (PCR) 2015.
27. The following options have been considered for procurement:

- a) Commission services through individual contracts as and when required

Previous framework agreements have allowed providers to work together around the needs of their clients. If commissioned individually the contracts will have an annual cost of between £77k and £165k, producing a total value of between £154k and £330k per contract over the two year initial contract period. As the individual contract values are below the LTR threshold the council could seek competitive tenders from a minimum of five providers on a more ad hoc basis, however this is arguably not an effective means of maximising leverage and fostering a more collegiate approach to delivery within a network of providers.

- b) Commission via a Dynamic Purchasing System (DPS)

Whilst a DPS offers more flexibility than a framework in terms of being able to add new providers to the pool of approved suppliers at any time it is not considered the most effective means of procuring employment support contracts in a relatively stable market. A DPS is resource intensive and requires a large amount of management in terms of ongoing tender evaluation and contract award.

- c) Tendering via a competitive PCR compliant procurement process in order to establish a framework of providers **This option is recommended.**

As the value of this framework is above the LTR threshold the council needs to competitively tender its requirements in line with the PCR 2015. There are a number of different procurement routes the council could use

such as open procedure or the restricted. An open procedure in a one stage process means there is no opportunity to remove bidders from the process who have failed to meet standards in terms of quality, equalities, finance, safeguarding etc. A two stage process allows unsuitable providers to be rejected at an earlier stage therefore ensuring that only those who meet the required standards are invited to bid for the framework lot contracts. A restricted procedure is a two-stage process and is considered the best route as it allows the council to draw up a shortlist of interested parties by undertaking the SQ, prior to the issue of invitation to tender documents. The SQ has been developed to assess capability and experience to deliver locally and as such will enable a shortlist of providers to be invited to tender to secure a place on the framework.

d) Provide services in house

The council does not currently employ sufficient staff with the required range of skills and recruiting these staff would be a financial risk to the council. Locally branded provision that sits outside of direct delivery creates a degree of independence whilst ensuring that the council can continue to hold the provider to account.

e) Joint procurement with other local authorities

The council works on a number of employment projects at a regional and sub-regional level, at the moment there is no appetite in other London local authorities to procure support jointly.

f) Using an existing framework

The council is not aware of any existing Framework that would meet the political and strategic aspirations of the proposed Southwark Works framework. In addition, one of the core successes of the current service is that it brings together local and national organisations to deliver employment support service; it is unlikely that any of our SMEs and local community charities will be appointed to another organisation's framework agreement.

g) Do nothing

The Southwark Works Framework is needed in order to achieve the council's political and strategic aims over the next four years. The evaluation (Appendix 1) has demonstrated that the framework model has been successful over the last 8 years in delivering council priorities and real change for Southwark residents.

### **Proposed procurement route**

28. **Option C – PCR Restricted Procedure:** It is recommended that the framework contracts will be advertised through Find a Tender Service (FTS) as a restricted tendering procedure, comprising of two stages:

- Stage 1: Interested providers express an interest by requesting and completing a SQ (selection questionnaire). The SQ stage will create a short list of suppliers based on the organisation's capacity to deliver; their economic and financial standing, previous technical or professional ability.
  - Stage 2: Providers shortlisted at Stage 1 will be invited to submit a tender in order to be appointed to the Framework and bid for an initial call off contract.
29. A commissioning framework offers contracts of an appropriate length (two years with the option to extend for a further two years) to enable better planning in service delivery and innovation and greater flexibility to respond to changing labour market needs by purchasing services quickly and efficiently through call-off contracts. This means that if the economy changes over the four year lifespan of the framework we are able to adapt to changes accordingly. It also allows a level of collegiate working that means providers can work together, and with the council, to achieve the best outcomes for residents. We will establish a framework partnership agreement which all providers will sign up to deliver as part of the framework, further encouraging good partnership working. In addition this option allows the council to test the market and ensure that value for money is improved in commissioning of employment support services.

#### **How the new framework will operate**

30. The framework includes nine lots; details of these are included in Table 2 below. Tenderers may bid for any number of lots but a single supplier can only be appointed to a maximum of three lots across the framework.
31. A maximum annual contract price will be set for each lot. These will vary in annual contract value from between £77k to £165k for the first two years of delivery. A minimum output requirement will be set for each lot. This is based on the anticipated unit costs to deliver job outputs for specific cohorts, determined by current contract delivery costs and assumptions about the labour market and levels of need over the next four years.

#### **Framework appointment and initial award of contracts**

32. This procurement exercise will establish the framework of providers and will appoint initial two year call-off contracts (with options to extend for a further two years) for each lot. Initial call-off contracts will be awarded as set out in Table 2.

**Table 2 – Proposed Southwark Works Framework lots**

<b>Lot</b>	<b>Title</b>	<b>Max. number of providers appointed to the framework</b>	<b>Number of initial call-off contracts offered per lot</b>	<b>Proposed outline</b>
<b>Lot 1</b>	Vulnerable young people	6	3	<ul style="list-style-type: none"> <li>• Provide support to vulnerable young people who have complex needs and may:               <ul style="list-style-type: none"> <li>○ be care leavers</li> <li>○ be aged 16-19 and Not in Education Employment or Training (NEET)</li> <li>○ be lone parents</li> <li>○ be carers</li> <li>○ have had contact or are currently in contact with the criminal justice system, are considered at risk of offending</li> <li>○ have special educational needs or disabilities (aligning with council's SEND strategy),</li> <li>○ mental health needs</li> <li>○ housing needs</li> </ul> </li> <li>• The provider(s) will engage with clients through Children's Services (Southwark Information and Advice Service, Looked After Children, Youth Offending Services, Preparing for Adulthood teams) and HYP (Health and Young People – substance use and sexual health service)</li> </ul>
<b>Lot 2</b>	People aged 50+ or with physical	4	1	<ul style="list-style-type: none"> <li>• Provide employment support to people who:               <ul style="list-style-type: none"> <li>○ older people aged 50+</li> <li>○ those with physical and long term health conditions such as musculoskeletal (MSK) disorders</li> </ul> </li> </ul>

Lot	Title	Max. number of providers appointed to the framework	Number of initial call-off contracts offered per lot	Proposed outline
	health conditions			<ul style="list-style-type: none"> <li>• Includes a focus on building IT and digital skills</li> <li>• Link to Adult Social Care hubs, Carer hubs, DWP provision</li> </ul>
<b>Lot 3</b>	Mental health	4	1	<ul style="list-style-type: none"> <li>• Support for those with a range of mental health conditions, including mild mental health conditions, anxiety/depression, and long-term or complex mental health needs, with no formal diagnosis</li> <li>• Aim to integrate with core mental health services to secure referrals</li> <li>• Focus on in-work support to help residents maintain employment</li> <li>• Link to Wellbeing Hub</li> </ul>
<b>Lot 4</b>	Learning difficulties and disabilities (including autism)	6	1	<ul style="list-style-type: none"> <li>• Support for adults with learning difficulties and disabilities</li> <li>• Focus on those engaged with All Age Disability services</li> <li>• Provider will need to support clients with a range of disabilities</li> <li>• Link to Adult Social Care hubs</li> </ul>
<b>Lot 5</b>	Parents and unpaid carers	4	1	<ul style="list-style-type: none"> <li>• The provider will work with the council's Family Early Help team and children's centres to engage with clients</li> <li>• Focus will be on supporting lone parents (or parents who are eligible for 'Supporting families' support) into employment</li> <li>• Focus will be on working with carer networks in the borough</li> <li>• Employment is likely to start with part time and progressing to more hours</li> <li>• Will include support for unpaid carers and former carers</li> </ul>

Lot	Title	Max. number of providers appointed to the framework	Number of initial call-off contracts offered per lot	Proposed outline
<b>Lot 6</b>	Offenders	4	1	<ul style="list-style-type: none"> <li>• Support for residents who have had contact or are currently in contact with the criminal justice system to support the transition back into work and maintain employment</li> <li>• The provider will engage with clients through probation services</li> <li>• Specific support needed to build client confidence in disclosing convictions</li> </ul>
<b>Lot 7</b>	Substance use	4	1	<ul style="list-style-type: none"> <li>• Outreach and engagement through the council's substance use service (currently delivered by Change, Grow, Live)</li> <li>• Provision will support those with a dual diagnosis (of mental health)</li> <li>• Pre-employment support will be integrated into treatment, helping clients to consider longer term career aspirations and next steps beyond treatment</li> </ul>
<b>Lot 8</b>	Homelessness	4	1	<ul style="list-style-type: none"> <li>• Support will be targeted to those who are homeless and at risk of homelessness</li> <li>• The provider will engage with clients through the council's Housing Solutions and Sustain Services, housing associations as well as local and regional VCS provision</li> <li>• Support clients with range of issues such as mental health or substance use issues, as well as requiring proof of the right to work</li> </ul>
<b>Lot 9</b>	In work support	4	1	<ul style="list-style-type: none"> <li>• Support for residents who are seeking 'better' work; including hours, pay, location or sector</li> <li>• It is anticipated that some clients would have been supported through other Framework provision, but the majority of clients will be new to the service</li> </ul>

Lot	Title	Max. number of providers appointed to the framework	Number of initial call-off contracts offered per lot	Proposed outline

## Contract review

33. The council will closely monitor and evaluate the delivery of the contracts over the first two year period to inform delivery from 2025. In the event that the council is satisfied that the initial contract provider is performing well, they will be considered for a contract extension for a further two years, via a Gateway 3 report. Where performance has not met expected levels the council may seek to offer to offer a new contract to a different framework provider. This will either be through direct award of a contract or through a mini-competition.

## Identified risks for the procurement

34. The following risks have been identified for this procurement:

No.	Risk	Risk Level	Mitigating Action
<b>Procurement process</b>			
1.	Delays in contracting timetable	Medium	<ul style="list-style-type: none"> <li>• Robust project management in place.</li> <li>• Temporary redeployment of Local Economy Team resources to keep the process on track; reducing other areas of the timetable that can be shortened.</li> </ul>
2.	Not enough tenders received	Low	<ul style="list-style-type: none"> <li>• Knowledge of the existing market will be applied to ensure that, in addition to advertising the opportunity in FTS and Contracts Finder, it will be targeted at known providers across the region.</li> <li>• Contracting timetable allows for sufficient time to submit high quality bids.</li> <li>• It is likely that at least all existing appointed framework providers will consider bidding for this opportunity</li> <li>• Market engagement event will be held to promote the opportunity and support providers with bidding</li> </ul>
3.	Limited lead in time for new providers	Medium	<ul style="list-style-type: none"> <li>• The procurement timetable is designed to allow sufficient lead-in time to establish the new network provision and manage any outstanding TUPE issues ahead of implementation of the framework</li> </ul>

No.	Risk	Risk Level	Mitigating Action
4	Covid-19 impacting the procurement process	Low	<ul style="list-style-type: none"> <li>The majority of the procurement process takes place online. Any elements that aren't planned to take place online (e.g. market warming, interviews) can be moved to an online platform.</li> </ul>
<b>Service delivery</b>			
4.	Service does not meet the needs of target groups	Low	<ul style="list-style-type: none"> <li>The breadth of the offer available via the lots and the knowledge and experience within the network of providers means this is unlikely</li> </ul>
5.	Budget changes affecting indicative budget for 2023-2027	Low	<ul style="list-style-type: none"> <li>Contract structure of two years plus two optional years combined with break clause allowing break or variation due to budget constraints.</li> </ul>
6.	Cost overrun/ underperformance	Low	<ul style="list-style-type: none"> <li>Staged quarterly payments in arrears linked to achievement of key performance indicators (KPIs) gives the council control over expenditure through contracted claw back mechanisms and will ensure costs do not exceed contractual limits. This also removes the need for performance bonds or parent company guarantees.</li> </ul>
7.	Impact of inflation on providers, in particular any SMEs/ Voluntary Community Sector organisations	Medium	<ul style="list-style-type: none"> <li>The council has considered the impact on recent inflation and cost of living increases in the development of contract values.</li> <li>Should financial pressures increase, this will be reassessed and officers will work with providers to ensure contracts remain financially viable and deliverable.</li> <li>Officers will continuously monitor opportunities for external funding in order to add additional value</li> </ul>

No.	Risk	Risk Level	Mitigating Action
8.	Covid-19 or any future public health emergencies	Low	<ul style="list-style-type: none"> <li>Should a public health emergency (such as a pandemic) occur during the lifetime of the Framework; the council will work with providers to ensure services adapt to circumstances and any Government advice and risk assessments are adhered to.</li> </ul>
9.	World events; such as war or Brexit	Medium	<ul style="list-style-type: none"> <li>The local economy is likely to continue to feel the impact of world events during the lifetime of the Framework.</li> <li>For this reason the Framework has been designed to allow the council to adapt service specification and stand up more provision quickly (subject to decision making processes).</li> </ul>

### Key / Non Key decisions

35. This report deals with a key decision.

### Policy Framework Implications

36. The Southwark Works service will be the council's key mechanism for achieving against the Council Delivery Plan commitment to deliver a thriving and inclusive economy. Underpinning this commitment is the Economic Renewal Plan (the council's response to the economic impact of the Covid-19 pandemic) and the Economic Strategy 2022-2030 (due to be approved by Cabinet in March 2023). The Southwark Works service will work with the Skill Delivery Partnership and Community Wealth Building anchor organisations to ensure residents are able to access good employment opportunities.

37. Southwark's Economic Strategy 2022-2030 will set our ambitions for Southwark's economy to 2030 and beyond, leading to a fairer, greener and more resilient economy in Southwark. Building on successes of the past decade, Southwark will continue to encourage growth, particularly in key sectors such as life sciences and the green economy, and we will redouble our efforts to support local people and businesses to benefit from the opportunities it creates. However, a future strategy cannot rely on growth alone to narrow inequalities in economic opportunity and prosperity within the borough. Towards 2030 we will refocus towards shaping a more inclusive local economy, working with business and other stakeholders to meet the challenges of the climate emergency, and building economic fairness and resilience within all of our communities and across the economy as a whole. Our overarching

ambition is to work collectively to deliver an economy that is fairer, greener and more resilient for the residents and businesses of our borough.

38. By providing a unified framework for council-led employment activity the Southwark Works employment commissioning framework supports the achievement of objectives across a suite of Council Plans including the Southwark Youth New Deal, Special Educational Needs and Disabilities Strategy, the Joint Health and Wellbeing Strategy, and the Housing Strategy.

### Procurement Project Plan (Key Decisions)

Activity	Complete by:
Enter Gateway 1 decision on the Forward Plan	18/11/2022
DCRB Review Gateway 1	12/12/2022
CCRB Review Gateway 1	15/12/2022
Brief relevant cabinet member (over £100k)	12/12/2022
Notification of forthcoming decision - Cabinet	21/11/2022
Approval of Gateway 1: Procurement strategy report	17/01/2023
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	25/01/2023
Completion of tender documentation	17/01/2023
Publication of Find a Tender Service Notice	25/01/2023
Publication of Opportunity on Contracts Finder	25/01/2023
Closing date for receipt of SQ	13/02/2023
Completion of short-listing of applicants	24/02/2023
Invitation to tender	27/02/2023
Closing date for return of tenders	27/03/2023
Completion of any clarification meetings / presentations / evaluation interviews	18/04/2023
Completion of evaluation of tenders	21/04/2023
Forward Plan (if Strategic Procurement) Gateway 2	18/11/2022
DCRB Review Gateway 2:	24/04/2023
CCRB Review Gateway 2	04/05/2023
Approval of Gateway 2: Contract Award Report	05/05/2023
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	15/05/2023
Debrief Notice and Standstill Period (if applicable)	22/05/2023
Contract award	22/05/2023
Add to Contract Register	29/05/2023

Activity	Complete by:
TUPE Consultation period (if applicable)	15/05/2023
Place award notice on Find a Tender Service	16/05/2023
Place award notice on Contracts Finder	16/05/2023
Contract start	01/07/2023
Initial contract completion date	30/06/2025
Contract completion date – (if extension(s) exercised)	30/06/2027

### **TUPE/Pensions implications**

39. Whilst TUPE should not apply on the appointment of a new provider to the proposed framework it is likely to apply on the call-off of a contract from the framework where an incumbent provider has in place an organised grouping of employees whose principal purpose is the carrying out of the activities which are the subject of that call-off contract. This is on the basis that the contracts for the services being retendered expire immediately before the service commencement date of their corresponding call-off contracts under the new framework. Due diligence of the current suppliers' workforce will be carried out to assist in informing the tender process but it is how their workforce is organised at the point of a call off from the framework which will be determinative. This due diligence work needs to be carried out before the tender process commences as its results need to be included in the tender pack.
40. There are no TUPE implications for the council as an employer because the council's contract management and administrative function will remain with the council and these activities will not form part of the contract specification. The council's role will involve acting as a conduit through which information on provider staff can be collated and communicated to bidders. Consideration of timescales linked to the TUPE process has been accommodated within the project plan and appropriate provision for TUPE will be made within relevant conditions of contract. The bidders will need to take their own independent legal advice on the application of TUPE and whilst the council can form a view it should not give any assurances or warranties or make any representations in the tender process.

### **Development of the tender documentation**

41. The tender documentation will be developed in line with the council's procurement and legal guidelines and with advice from relevant council officers. The specification, evaluation criteria, pricing documents and the conditions of the framework agreement will be developed by officers with specialist knowledge of employment support services in the council's Local Economy Team.

## Advertising the contract

42. The contract will be advertised through FTS and Contracts Finder, as well as being directly notified to local government networks and partnerships such as London Councils and Central London Forward, Community Southwark and the existing provider network, thus ensuring a particular focus on those operating in Southwark, but also using knowledge of providers from other commissioning bodies and local authorities.

## Evaluation – Two stage process

43. Evaluation panels will be made up of representatives from the Local Economy Team and other council departments with relevant knowledge of client groups.
44. The framework will be awarded using a restricted tender process consisting of 2 stages, SQ and Invitation to Tender (ITT) as set out below.
45. **Stage One - SQ:** Providers will be asked to demonstrate their capacity to deliver a framework contract. The standard version of the SQ will be utilised for this with additional questions asked regarding Quality Assurance, Equalities, Safeguarding and Health and Safety. General compliance will be assessed on a pass/fail basis. Technical and professional ability questions will be evaluated using the council's standard scoring system and key criteria will include service delivery, local knowledge and outreach and engagement. Bidders are likely to be required to achieve a minimum score of two on each question in order to progress to ITT.
46. **Stage 2 - ITT:** At this stage, quality and price will be tested. Providers will be asked to complete a set of questions which will assess quality and price, using a weighted model of 80% quality, 20% price/output. The council's usual quality price ratio is 30% quality and 70% price, however a high quality weighting of 80% is required due to the need to ensure a high standard of service for a range of vulnerable groups, whose likelihood of securing employment could be actively harmed by an inappropriate intervention.
47. Method statements will be used to evaluate tenders against key quality criteria such as outreach, customer journey, service delivery and partnership working. The specification will seek tenders from providers that can offer innovative approaches in delivering employment support which best meets the needs of the client groups or sectors identified in the framework lots.
48. The price/output evaluation will assess the number of job starts and people progressing within work that can be delivered for the tendered proposition. Each lot will have a maximum contract value set out in the specification dependent on local need but with suppliers giving their estimates of the outputs that they can provide for the contract cost. The council will also assess the sustainability of price to ensure abnormally low/unsustainable tenders are rejected.

## **Community, equalities (including socio-economic) and health impacts**

### **Community impact statement**

49. Community benefits will accrue through the direct outputs of this procurement, principally through measurement of numbers in defined groups entering employment and gaining skills, but also indirectly through effective operation of the Southwark Works Employment Framework and through meeting employer demand for a local workforce.
50. By linking with the Skills Strategy, Community Wealth Building anchor network and local employers, residents will be able to secure good work that is sustainable and employers will be able to access job ready candidates.

### **Equalities (including socio-economic) impact statement**

51. Southwark Works supports a combination of groups that are overrepresented in unemployment measures, including some of the most marginalised groups in the labour market. It seeks to bridge gaps in mainstream service provision provided largely by Jobcentre Plus and DWP programme providers. The Southwark Works service focuses on building self-efficacy and self-esteem for all service users at all times.
52. By focusing attention on these groups this service specifically aims to meet the needs of protected characteristics groups, in line with the council's published Equalities Approach. Due regard has been paid to the Public Sector Equality Duty (PSED) in section 149 of the Equality Act 2010 specifically; to have due regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; advance equality of opportunity; though providing the means to engage in the labour market and improve socio-economic outcomes and wellbeing, and foster good relations between people with protected characteristics and those who do not. The relevant protected characteristics specifically supported through this provision are age, disability, race and sex.
53. The service specifications will specify that employment support and local employment opportunities are made available solely to Southwark residents. An Equalities Impact and Needs Analysis (EINA) has been completed for this procurement and the procurement of the Southwark Works Framework. Identified mitigating actions include:
  - a) Outreach and engagement will target demographic groups more likely to require employment support
  - b) Tender documents will reflect EINA and ask potential suppliers to describe the demographic breakdown of the clients they will support
  - c) CRM system – the CRM system is currently used by the majority of Southwark Works providers. Going forward it will be a requirement, allowing officers to access more robust information on the demographic breakdown of Southwark Works clients
  - d) The council will ask successful suppliers to complete satisfaction surveys with their clients and a wider evaluation of outcomes every two years.

This service user survey will ask questions on demographics of clients; officers will be able to use this to determine if there is disparity of wider outcomes achieved through the service.

54. Community benefits will accrue through the direct outputs of this project, principally through measurement of numbers in defined groups entering employment, but also indirectly through effective operation of the Southwark Works Employment Framework and through meeting employer demand for a local workforce.
55. The drop-in service to be provided at the Southwark Works office is compliant with the Equality Act 2010.
56. All of the services in the new contract will be monitored through the Local Economy Team, in collaboration with referring council teams, to ensure that employment support and referral of candidates is effectively aligned with job opportunities, employment support, and training programmes arising from regeneration and development in Southwark.

### **Health impact statement**

57. Evidence has shown that not being in work can affect people's health. For those that want to work, Southwark Works will be a preventative service supporting residents with wider barriers to employment.
58. Southwark Works provision will include a specific service for people experiencing undiagnosed mental health problems and both adults and young people with learning difficulties and disabilities. Provision in the borough already exists for people with other physical health conditions and diagnosed mental health conditions; throughout the delivery of the contracts council officers and providers will link in to existing provision, ensuring effective referral pathways are in place to ensure that residents receive the support most beneficial to them and their circumstances.

### **Climate change implications**

59. Following council assembly on 14 July 2021, the council is committed to considering the climate change implications of any decisions. The recommendations as set out in this report are not considered to have any adverse effect on climate change.

### **Social Value considerations**

60. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the wellbeing of the local area can be secured. The details of how social value will be incorporated within the tender are set out in the following paragraphs (62-64).

61. Social value considerations will be included, through social value Themes Outcomes Measures (TOMs) and part of the quality assessment of each bid. These will be tailored to this provision and consider the requirements of the Fairer Future Procurement Framework (FFPF).

### **Economic considerations**

62. Local economic benefits that will be tested through this procurement process are:
- Apprenticeships and paid internships
  - Job creation and local economy
  - Local employment opportunities
  - Work placement opportunities
  - Payment of London Living Wage where appropriate.

### **Social considerations**

63. Officers will ensure that the procurement process is accessible to a variety of suppliers including SMEs, black and minority ethnic, women and disabled owned businesses and the voluntary and community sector. A market warming event will be advertised through FTS and Contracts Finder; officers will also directly engage with local organisations who have expressed an interest in delivering this service for the council previously.

### **Environmental/Sustainability considerations**

64. The specification for this contract will include requirements for the contractor to be mindful of environmental impacts; provisions will be made for reducing waste by reducing paper forms, provision of recycling waste bins at the hub office, offer appointments at locations that are easy to attend by public transport or online. This will be tested at procurement stage and potential providers will have the opportunity to offer more measures to reduce the environmental impact of the service through the delivery of this contract.

### **Plans for the monitoring and management of the contract**

65. The contracts will be managed and monitored within existing staff resources in the Local Economy Team. Contract monitoring arrangements in line with Council procedures and established processes will include:
- Payment related to achievement of KPIs
  - Quarterly monitoring of outputs and outcomes
  - Regular meetings with contractor's project manager to review and manage performance
  - Regular review of costs
  - Consultations with internal colleagues of this project to monitor its contribution to Council-wide policies and priorities
  - Management and oversight of ongoing risks and staging of payments following the completion of project phases

- Improvement planning where two consecutive quarters of underperformance occurs
  - Annual performance reports to Departmental Contracts Review Board (DCRB)
  - Annual performance reports to Corporate Contracts Review Board (CCRB)
  - Evaluation of service delivery – every two years.
66. Payments will be made on a quarterly basis in arrears subject to achievement of defined performance output measures by the contractor.
67. In addition to the contract management arrangements, arrangements for the framework will include monitoring of all contractors admitted to the framework to ensure that SQ criteria continue to be met throughout the life of the framework regardless of when or whether a contract is awarded, and to future contract decisions throughout the life of the framework are based on accurate and current information.

### Staffing/procurement implications

68. There are no direct staffing implications. Quarterly monitoring visits and all other contract management meetings/ work will be undertaken by the Local Economy Team's lead officer for the contract or a delegated officer as appropriate within existing staffing.

### Financial implications

69. The estimated annual Framework cost including and excluding VAT:

	Cost excluding VAT	Cost inclusive of VAT
Annual Cost	£1,815,000	£2,178,000
<b>Total Cost</b>	<b>£1,815,000</b>	<b>£2,178,000</b>

70. The table below details how the annual costs are expected to be funded.

<b>Sources of Funding</b>		<b>Amount</b>
Local Economy Team (LET) Core Commissioning Budget	CM906	£547,700
	CM888	£278,000
Secured S106 Funds		£990,000
<b>Total</b>		<b>£1,815,000</b>

71. The above funding plans confirms that there are sufficient budgets to contain the estimated cost of the contracts, however, this will be monitored on a regular basis and contracts should only be let against confirmed funding.
72. Recommendation 1b seeks to approve an additional £2m to accommodate possible future external funding sources. Should future funds be secured, the spend will be subject to Gateway reports in line with the council's contract standing orders.

73. Initial call-off contracts will be for two years with an option to extend for a further two years. Given the continued uncertainty in the local government finance landscape, this allows the council to act flexibly in the event of any change of circumstances.

### **Legal implications**

74. Please see concurrent from the Director of Law and Governance.

### **Consultation**

75. The Local Economy Team commissioned an independent evaluation of the Southwark Works service in the summer of 2022. To understand the impact of the current service and make recommendations on future provision, evaluators engaged with:

- current providers
- local employers and business improvement districts
- service users
- council officers

76. Findings from the evaluation are informing changes to the wider Southwark Works service.

77. In addition to the independent evaluation, officers have engaged further with the following council teams:

- Housing solutions
- Public Health
- Education; Special Educational Needs and Disabilities (SEND)
- Education; Education Access
- Adult Learning
- Family Early Help
- Youth Offending Service
- Community Safety
- All age disabilities

78. Teams across the council are supporting the specification development, evaluation of tenders and contract delivery. Ensuring that the Southwark Works service meets the needs of residents who come into contact with other council services.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Finance and Governance (CE22/053)**

79. This report is requesting cabinet to approve the procurement strategy outlined in this report for the Southwark Works Employment Support Commissioning Framework for four years at an estimated maximum value of £9.26m.
80. The strategic director of finance and governance notes that the estimated cost of the framework arrangement for Southwark can be contained with the funding detailed in the financial implications section.
81. The strategic director of finance and governance also notes that contracts should only be let against confirmed funding and additional £2m spend mentioned in recommendation 1b will be subject securing those funds in future and notes that this spend will be subject to additional gateway reports in line with the council's contract standing orders.
82. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

### **Head of Procurement**

83. This report seeks approval from cabinet for the procurement strategy outlined in for the Southwark Works Employment Support Commissioning Framework for four years commencing on 1 July 2023, for a maximum total value of £9.26m, estimated maximum annual spend of £1.815m by Southwark Council and a total additional spend of £2m to accommodate possible future external funding sources.
84. Cabinet notes details of the procurement process are in paragraphs 25 to 32 and 41 to 48, the risks are detailed in paragraphs 34, the impact on equalities, health and climate change are detailed in paragraphs 51 to 59, social value commitments are detailed in paragraph 61, confirmation of the payment of LLW is detailed in paragraph 62, management and monitoring is detailed in paragraphs 65 to 67.

### **Director of Law and Governance**

85. This report seeks cabinet's approval to the procurement strategy to establish a new Southwark Works Employment Support Commissioning Framework for four years commencing on 1 July 2023, for a maximum total estimated value of £9.26m, which will be split between: (a) an estimated maximum annual spend of £1.815m by Southwark Council (b) a total additional spend of £2m to accommodate possible future external funding sources.
86. Cabinet is requested to note that tenders for the initial call-off contracts will be invited from suppliers at the same time as inviting applications to the framework. The call off contracts will be for a period of two years with an option to extend by a further period of two years.

87. In addition, cabinet is requested to delegate authority to the Chief Executive (or relevant senior officer with responsibility for the service) to approve the Gateway 2 report for the establishment of the framework and the award of individual call off contracts for the reasons set out in paragraph 21 and in accordance with Contract Standing Orders (CSO).
88. The services are classified as a “light touch“ services under Schedule 3 of the Public Contracts Regulations 2015 and are subject to the Light Touch Regime. Due to the estimated value of the proposed expenditure involved those Regulations require a competitive process to be advertised via the Find a Tender Service. As the procurement will be undertaken under the Light Touch Regime, it will not be subject to the full rigor of the Public Contracts Regulations 2015, however, the council must ensure that the procurement is open, transparent, and fair.
89. Cabinet’s attention is drawn to the Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010, which requires public bodies to have due regard, when making decisions, to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct, advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. Cabinet is specifically referred to the community, equalities (including socio-economic) and health impacts at paragraphs 49 to 58 of this report setting out the consideration that has been given to equalities issues, which should be considered when approving the recommendation in this report.

## BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Southwark Works Equalities Impact Assessment	Local Economy Team	<a href="mailto:Nils.Bendle@southwark.gov.uk">Nils.Bendle@southwark.gov.uk</a>
<b>Link:</b> <a href="#">Agenda for Cabinet on Tuesday 17 January 2023, 11.00 am - Southwark Council</a>		

## APPENDICES

No	Title
Appendix 1	Southwark Works Evaluation

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Martin Seaton, Jobs, Business and Town Centres	
<b>Lead Officer</b>	Stephen Gaskell, Director of Strategy and Economy	
<b>Report Author</b>	Liz Gardiner, Senior Strategy Officer	
<b>Version</b>	Final	
<b>Dated</b>	5 January 2023	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Governance	Yes	Yes
<b>Contract Review Boards</b>		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
<b>Cabinet Member</b>	<b>Yes</b>	<b>Yes</b>
<b>Date final report sent to Constitutional Team</b>		5 January 2023

# ROCKET SCIENCE

## Southwark Works

Final Report

September 2022



# Contents

<b>1. Executive Summary</b>	<b>3</b>
1.1 Overview	3
1.2 Southwark Works in numbers	4
1.3 Key recommendations	6
<b>2. Background to the evaluation</b>	<b>9</b>
2.1 Evaluation aim	9
2.2 Evaluation questions	9
2.3 Report structure	10
<b>3. Employment support needs</b>	<b>11</b>
3.1 Introduction	11
3.2 The wider context	11
3.3 What is the data telling us	11
3.4 Providers' views	15
3.5 Residents' views	16
3.6 Employers' views	16
3.7 Conclusion and recommendations	17
<b>4. Motivations, success and further support</b>	<b>18</b>
4.1 Introduction	18
4.2 What the data is telling us	18
4.3 Residents' views	19
4.4 Providers' views	20
4.5 Conclusion and recommendations	21
<b>5. Meeting the needs of key client groups</b>	<b>23</b>
5.1 Introduction	23
5.2 What is the data telling us	23
5.3 Residents' views	25
5.4 Providers' views	25
5.5 Summary and recommendations	26



## **6. Impact on wellbeing, skills, and employability 27**

6.1 Introduction	27
6.2 What the data is telling us	27
6.3 Residents' views	29
6.4 Providers' views	30
6.5 Stakeholders' views	31

## **7. Do employers value Southwark Works? 33**

7.1 Introduction	33
7.2 Data	33
7.3 Employers' views	33
7.4 Conclusions and recommendations	37

## **8. Effectiveness of the network 38**

8.1 Introduction	38
8.2 Views from providers and stakeholders	39
8.3 Conclusions and recommendations	41

## **9. Key findings for future commissioning 43**

9.1 Introduction	43
9.2 Gaps	43
9.3 The model	44
9.4 Monitoring and learning	46
9.5 The brand to employers	46
9.6 A one council approach	47



# 1. Executive Summary

## 1.1 Overview

Rocket Science were commissioned in June 2022 to conduct a review into Southwark Works. This included a review of public and programme performance data, consultation with residents, employers, providers and stakeholders, a best practice review into employment services and into the Southwark Works model.

This review has identified that the service is valued by residents, employers and stakeholders and that it has a key role in supporting residents in Southwark who would otherwise not have access to employment support.

The service when compared to similar programmes appears to provide good value for money and has a bigger impact than similar programmes in supporting people into work and into sustaining work.

The reach of Southwark Works demonstrates that its engagement with key priority groups specifically those from ethnic minorities is strong. Although referrals have slowed the future economic outlook suggests that greater emphasis on outreach and referral is needed to support the economic wellbeing of residents who are not engaging in economic activity. This highlights a need to refocus the framework to invest more into this element of employment support.

Views on the network model are broadly positive and there is agreement on the value of collaboration and the need to align pathways and improve practice. This is about using a more dynamic performance management process, requirements on providers to provide data and contribute to the network's values and to build greater flexibility of provision to adapt to change as local labour markets shift.

The ability to work with employers and have a bespoke Southwark offer is limited in that providers hold the relationships with employers and engagement is often held in centralised teams. This could be an area of development for the creation of a Southwark branded offer to ensure that the opportunities through large employers, anchor institutions, supply chains and social value are unlocked to provide a wider range of access to jobs and work experience to Southwark Works clients.

It is also important to consider:

- the role of greater engagement with employers on the design of programmes
- the role of a 'One Council' approach to supporting referrals and opportunities into Southwark Works i.e. referring in from key departments such as housing and adult social care
- a refined approach to understanding the impact of support in terms of distance travelled given that the focus of support is likely to be on supporting residents further from the labour market.



## 1.2 Southwark Works in numbers

Using Southwark Works internal information recorded on the Hanlon data system, we have assessed the performance of the programme:

- 6,617 people registered with Southwark Works between 2019 and 2022. Lot 10 (sectors) had the most registrations (2,788) accounting for over 40% of all of Southwark Works. Of the 6,617 people who registered, a total of 3,681 people (56%) have been supported into a job, apprenticeship, or training. Just over half (1,937) of the support provided was related to starting jobs, with the majority of the rest (1,675) accessing training.
- Southwark Works has a high rate of people starting a job or apprenticeship – 30% compared to an average of 24% in six comparator programmes. When those who entered training is included, Southwark Works has the highest success rate of the comparator programmes at 56%.
- The six-month retention rates across all service users was 50% for jobs and 48% for apprenticeships. Women have a higher job retention rate than men, but lower apprenticeship retention. People under 25 tend to remain in apprenticeships for longer than over 25s, whereas the opposite is true for jobs – potentially due to younger people being more willing to accept the lower pay of apprenticeship roles.
- The vast majority of people who registered are unemployed, although a sizable proportion (18%) were in employment when they registered. Of those who are unemployed, the majority are on some form of benefits, with Universal Credit being the most common.
- Just over a quarter of people registered have a disability or health condition. A similar number of registrations are for people aged either under 25 or over 50. Together, these age groups make up half of registrations. The ethnic breakdown of registrations was: 49% black, 27% white, 10% other, 7% mixed, 5% Asian, and 2% not stated.

- Participants on average received three interventions before achieving a job. The most common types of support were 1:1 meetings, action plan activities, and CV assistance.
- By contrast, less than 5% of people received digital support, secured a work placement, accessed non-accredited training, or completed individual learning plan/action plan.
- 35% of participants are recorded as receiving no support. Feedback from Southwark Works suggests that this is inaccurate, and the actual figure is closer to 5%-10%. This therefore reflects issues and inconsistencies in the reporting of data by different providers. Assuming that 90% of people who registered received some form of support (based on the estimate from Southwark Works) and given that 44% of participants did *not* achieve a job, apprenticeship or training, this implies that approximately 40% of people who registered received support without this resulting in a job outcome.



## 1.3 Key recommendations



Research question	Key findings	Key recommendations
<p>1. What are the current and emerging employment support needs of Southwark residents?</p>	<p>Additional support to address longer term unemployment and to reach over 50's, people with health conditions and wider help around resilience, mental health, financial capability. Improve digital inclusion for people with disabilities.</p>	<p>There may need to be even greater focus on supporting those further from the labour market or with little work experience and consider using work experience opportunities, work-based interviews and volunteering to build better CVs. Services will need to flex to changing labour market needs over the next four years.</p>
<p>2. What has encouraged residents to register with Southwark Works, has helped them to succeed in the labour market? What do they think would help them further?</p>	<p>Residents value Southwark Works and are accessing a range of services, although referrals are at an all-time low. However some interventions are used more than others and may not be making as much impact. Trust and good relationships between work coaches and residents is critical to the success of the service.</p>	<p>Continue to recruit and invest in high quality work coaches and ensure consistency across the network. Deploy a more targeted local engagement strategy with greater investment in reaching and engaging residents. Improve data collection from providers so that better analysis of take up and performance can be used to inform the development of the programme and to pivot services where needed.</p>



<p>3. Has Southwark Works been successful in meeting the support needs of its key client groups?</p>	<p>Southwark Works is successful at engaging and meeting the needs of its different priority groups with significant impact on black residents, people with disabilities and those on benefits. Nearly 20% of registered residents are currently in work, suggesting in-work support is needed and likely to continue to be required as residents navigate the cost-of-living crisis. Providers are reporting the impact of the pandemic on residents' resilience.</p>	<p>There is a need to increase financial capability support as well as consider whether there is potential to bring this together into a wider strategy of support and action. Ensuring efforts are made to enable equal access of digital services via provision of broadband and equipment is crucial given the preference for online delivery and job readiness.</p>
<p>4. What is Southwark Works' impact on participants' wellbeing, skills, and employability?</p>	<p>Southwark Works is successful at achieving job outcomes and sustained retention out-performing similar programmes by some distance for all of its groups. Residents report positively on the impact Southwark Works has had on their skills, employment pathways, and mental wellbeing, demonstrating the broader impact of a holistic employment service.</p>	<p>The model and approach is effective and should be retained as it has greater success than national programmes at getting people into work. The elements of the holistic employment service needs to be maintained in future frameworks.</p>
<p>5. Do local employers value the service they receive from Southwark Works? How could it be improved?</p>	<p>Employers who engage with Southwark Works report positive experiences particularly those that have greater strategic relationships and connections to borough-based opportunities. Although many report residents do not have sufficient work experience or confidence to succeed at interview. Only 5% of residents have accessed work experience.</p>	<p>Greater efforts need to be made to ensure that candidates are both interview and work ready and that this must be consistent across the provider network. This will rely on more work experience and support.</p>



<p>6. Does the network/ structure foster good working relations between providers and partners (including other council services) to deliver improved outcomes for residents?</p>	<p>Overall feedback on the network is positive and there are benefits to the network approach including access to vacancies; referrals; opportunity to share practice; identify other forms of provision across the network; share job outcomes; and having a shared system like Hanlon makes it easier to monitor progress. Activities targeted at specific priority groups have worked well although there could be greater engagement with other council services.</p>	<p>Consideration is given to ensure that providers are working to best practice, case workers have consistent approaches to support and learning and that providers are compelled to provide data, attend learning and be pro-active in the network.</p>
<p>7. What are the likely gaps in provision and what does the council need to commission in order to meet the employment needs of residents over the next four years?</p>	<p>Southwark Works is reaching its target groups given its high reach into ethnic minority communities, people with disabilities/health conditions, young people and those with more complex needs.</p> <p>Further support is required for some priority groups particularly for the over 50s, those that are longer term unemployed and those that need financial advice.</p> <p>There needs to be an improved approach to employer engagement and potential to have this as a branded offer to encourage greater collaboration between employers and providers in the design of services and support.</p> <p>A greater emphasis on outreach and engagement including into the centre of the borough and consistent approaches to support residents.</p>	<p>There needs to be common and minimum standards so that the experience is universal.</p> <p>Bring in new providers that can reach into target groups and communities to encourage referrals into the service.</p> <p>There needs to be specific requirements on providers to produce data and information to support the performance management and monitoring of the framework.</p> <p>There needs to be a step change in employer engagement and focus on sector-led approaches.</p>



## 2. Background to the evaluation

### 2.1 Evaluation aim

The aim of this evaluation is to provide clear recommendations and actions to inform the next commissioning round of the Southwark Works service from 2023-27.

This evaluation follows a service review in February 2021 and has also coincided with the development of Southwark's new economic strategy to 2030. We have considered the impact of the pandemic on the service as well as consider what a service would need to look to manage the developing challenges around the cost-of-living crisis and the likelihood of a recession.

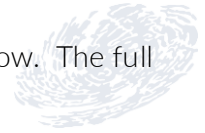
### 2.2 Evaluation questions

The evaluation has been framed around seven research questions:

1. What is the current and emerging employment support needs of Southwark residents?
2. What has encouraged them to register with Southwark Works and has helped them to succeed in the labour market? What do they think would help them further?
3. Has Southwark Works been successful in meeting the support needs of its key client groups?
4. What is Southwark Works' impact on participants' wellbeing, skills, and employability?
5. Do local employers value the service they receive from Southwark Works? How could it be improved?
6. Does the network/ structure foster good working relations between providers and partners (including other council services) to deliver improved outcomes for residents?
7. What are the likely gaps in provision and what does the council need to commission in order to meet the employment needs of residents over the next four years?

As part of the evaluation we have analysed the performance of the programme over the last four years, including where possible in the context of other employment support programmes. We have conducted a labour market review, a review of best practice followed by consultation with service

users, providers, and key partners including employers and stakeholders as set out below. The full methodology is set out in Appendix 6.



#### Number of individuals consulted across the four consultation groups

Group consulted	Number consulted
Service users	36
Providers	9
Employers	11
Stakeholders	6

## 2.3 Report structure

The findings and recommendations from the evaluation are set out against each of the research questions, supported by a series of appendices which contain further data and insight that has informed this report.

Appendix 1 – Review of best practice in council-led employment services

Appendix 2 – Review of the Southwark Works model

Appendix 3 – Consultation feedback

Appendix 4 - Analysis of Hanlon data

Appendix 5 – Labour market review

Appendix 6 – Methodology and consultees

We would like to extend our thanks to all of those who took part during consultation for giving up your time to contribute to this work. We hope that you will find this evaluation and the recommendations made useful in formulating the next steps for the Southwark Works programme.



## 3. Employment support needs

### 3.1 Introduction

In this section we reflect on the current and emerging picture of the labour market in Southwark and wider economy, the views of residents, providers and employers on employment support needs and make recommendations on what would need to be commissioned and delivered over the next four years.

### 3.2 The wider context

We have conducted a review of current labour market data and made comparisons between pre and post pandemic. Although this paints one picture there are several factors that need to be considered.

- The first is we have signs about the impact of the pandemic on creating greater economic inactivity particularly for over 50s. This is a trend we are seeing nationally and in London. Although this is related in part to people making different choices about their lives, there is an underlying concern that this could be due to health reasons, mental health and long-covid. There is a need to continue to look at data as it becomes available to better understand the scale and impact of longer-term unemployment. However it is highly likely that there will be a greater need of support around health and wellbeing to help residents back into work.
- We know that certain groups were particularly disproportionately affected by the pandemic including those groups that are key targets for Southwark Works. For those that were already disadvantaged in the labour market, the pandemic has exacerbated this disadvantage meaning that the journey into work may take longer and that the effects of long-term unemployment on mental health, confidence, resilience and skills will need to be addressed. This too will require more personalised and wraparound support.
- There were existing skills and supply mismatches in the labour market pre pandemic and although there are lots of jobs, the extent to which residents have these skills or jobs exist that residents are willing to apply is unclear. It is clear that a sector-based approach to securing employment works but that there needs to be greater coherence between what employers need and the skills offer. This is a wider structural issue, but one in which will have an impact on the scale and nature of skills provision with the Southwark Works model.

### 3.3 What is the data telling us



### 3.3.1 Unemployment

Unemployment is still well above the pre-Covid-19 level, and there are signs that the post-Covid-19 job recovery rate is slowing. The latest figures show that as of June 2022 there are still 3,510 more unemployed people than March 2020 (representing an increase of 41%). The rate at which unemployment is falling has slowed in the last six months, and if the same rate were to continue it will be mid-to-late 2023 before unemployment reaches the pre-Covid-19 level. However, given the current low economic growth and forecast recession, in reality it will likely be even longer.

As such, the importance of a service such as Southwark Works cannot be underestimated and particularly in light of the cost-of-living crisis where residents may be pushed into seeking work but also for those who are employed who need additional support to increase hours and pay.

Southwark has a higher percentage of 16/17 year-old NEETs than London as a whole, and the figure has risen from 4% in 2016 to 6% at end 2020 (albeit this is on a declining trend). White and mixed-race ethnic groups have the highest NEET rates, both of which are higher than in neighbouring Lewisham and Lambeth. Based on data from Southwark Works, nearly 1,400 registrations were aged between 16 and 25, representing just over a quarter of registrations suggesting a sizeable proportion of younger residents are needing support.

### 3.3.2 Needs

From public data available there is greater need for support in the centre of the borough. There is a high concentration of unemployed people in central areas of Southwark such as **Peckham, Walworth and Camberwell**. This will mean that commissioning will need to factor in providers that have the geographical reach into those communities. The central area also has higher levels of socioeconomic vulnerability – according to the Red Cross Vulnerability Index which also reflects on health and employment status – and a large youth employment gap – as found in the Southwark Economic Evidence Base report.

From analysing Southwark Works' data, the most common types of support provided to participants are 1:1 meetings, action plan activities, and CV assistance. By contrast, less than 5% received digital support, secured a work placement, accessed non-accredited training, or completed ILP/action plan. Of the participants who entered a job, 21% are recorded as having received no support at all (rising

to 35% when those registered with GetSet are included).<sup>1</sup> However, this number is likely overstated due to inaccurate data reporting – feedback from Southwark Works suggests it is closer to 5%-10%.

Just over a quarter of people registered with Southwark Works have a disability or health condition. In the UK as a whole, 21% of the working age population have a disability, meaning this group is slightly over-represented in Southwark Works users.<sup>2</sup> When analysing the data on residents who took up different available services that were disabled, unemployed for 12+ months, on Universal Credit, or not on any benefits:

- A high proportion of people who accessed accredited training, action plan activities, interview preparation, and work placements were disabled, although there was little digital support provided to this group.
- People on Universal Credit access different services from those on no benefits – the former group particularly targets accredited training, action plan activities and digital support

This data reflects the diversity of needs and support for residents.

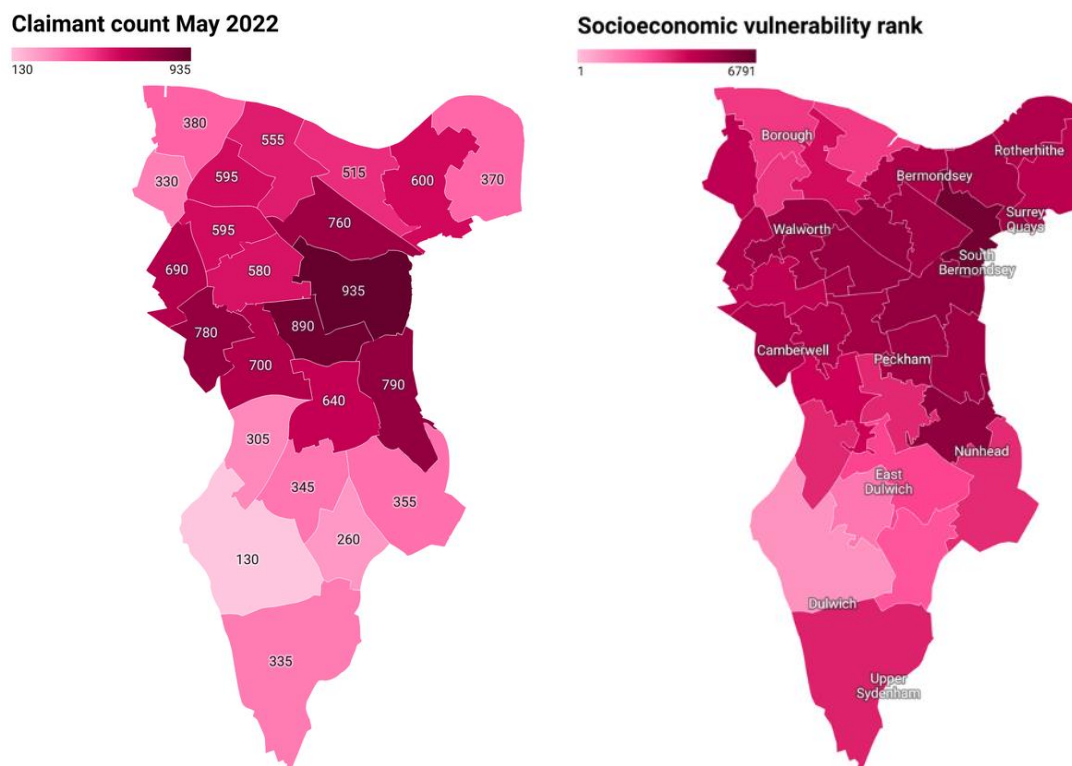
---

<sup>1</sup> Throughout this report, where we have analysed the Hanlon data by the support provided, we have excluded data from the provider GetSet due to potential inaccuracies in the information recorded. GetSet accounts for 20% of all registrations at Southwark Works and 16% of people who started a job / apprenticeship or accessed accredited training. Therefore, the figures excluding this provider represent the vast majority of Southwark Works participants, but may differ slightly from the true figures.

<sup>2</sup> <https://www.scope.org.uk/media/disability-facts-figures/>



Figure 1: Southwark claimant count and socioeconomic vulnerability



Source: Nomis Claimant Count. Red Cross Vulnerability Index

Covid-19 had a larger effect on unemployment in males and has increased the gap in gender unemployment. The unemployment created by the pandemic initially had the largest effect on the younger and mid-aged groups, with much less impact on over-50s. However, while unemployment in under-25s has fallen rapidly since the height of the pandemic, recovery has been slower for those aged 25-49, as shown in the table below. This indicates that:

- younger people were showing positive trends in employment, and although they were the worst hit by the pandemic from a jobs perspective, this group appears to be bouncing back strongly. However, we are seeing those that have low educational attainment and special educational needs struggle;
- people aged 25-49 have struggled to recover from the pandemic and may require particular attention for support; and
- although not as strongly affected by Covid-19, longer-term trends indicate that the over-50s is a group requiring attention.

Table 1: Change in unemployment by age group, 2020-2022



	16-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64
Mar-20	1,085	1,090	1,120	960	915	900	875	895	655
Jun-22	1,370	1,685	1,700	1,455	1,315	1,230	1,135	1,115	880
Gap	+285	+595	+580	+495	+400	+330	+260	+220	+225

Source: Nomis Claimant Count

Notably, the latest Universal Credit data suggests there has been a particular increase in the number of long-term unemployed people. Compared to March 2020, the number of unemployed women who have been claiming Universal Credit for over 12 months is 84% higher, while for men it is more than double. By contrast, the numbers of people who have been on Universal Credit for up to 6 months and from 6-12 months is less than in March 2020 for all genders. This same pattern has occurred across all age groups and is particularly prominent among 35-39- and 40-44-year-olds, which have more than doubled the number of long-term unemployed people on Universal Credit than pre-pandemic. This is important given that it becomes more difficult to re-enter the job market the longer a person is unemployed. Therefore, the challenge faced by employment support services is likely to be particularly tough.

### 3.4 Providers' views

Given the diversity of providers and their specialist support it is unsurprising that they have seen a wide range of needs from residents. From those who have more complex challenges such as long-term homelessness, risk of homelessness, chaotic lives and long-term unemployment, to those who need support with finances and management or more general low-level support around confidence building and CV preparation.

Key drivers to seek support appear to be those who need to maximise income either through benefits or work. Although there are opportunities for work, people who find themselves in debt and are trying to live on London Living Wage are not managing well and need support to sustain their employment.

There is a lack of IT skills with people struggling with connectivity and the skills to manage online searches and applications. This is compounded by a lack of confidence and knowing what is on offer.

For younger people not having the right qualifications and knowledge of opportunities is a real challenge, alongside their age and the perspectives of employers about their abilities. This lack of experience and gaps in work means that there is continued need for confidence building, job skills and work experience.

As highlighted earlier some services report a change in referrals. In particular the 50+ group have been mentioned regularly as having increased in number.

*“This has implications for services requiring a change to reflect the needs of a more qualified and experienced client whose needs are very different from the way services are currently set up but having in common the needs to orientation to job search, and possible conversations around up-skilling or re-skilling often in the context of chronic physical, or intermittent mental health crisis.”*

### 3.5 Residents’ views

For many residents, their biggest needs were knowing where to look for work and support with improving CV and application quality, and they believed Southwark Works could assist with this. The programme was described as a ‘platform’ akin to online tools such as Indeed.

Many also recognised the programme has the additional benefit of providing tailored support with the practicalities of the employment process: refining CVs, completing applications and cover letters, and preparing for interviews.

*“[My friend] told me they will help you look for jobs and also assess you to understand your field and interests, and where they think you will function well.”*

A smaller number said they had needs relating to personal barriers such as mental health problems or disabilities, and again felt like Southwark Works could support them with these.

*“They were helping people rehabilitate after an illness or having not been well and helping them to find work. That spoke to my own circumstances.”*

### 3.6 Employers’ views

Although our engagement with employers was limited to larger businesses in the borough, they did have several perspectives on the support needs of residents,

Whilst there is an ambition to recruit Southwark residents and give them opportunities, there is often a mismatch of skills and therefore employers will recruit applicants that have the right skill levels

regardless of where they live. There needs to be the right training and skills for residents to make themselves attractive to employers.



Employers feel that residents need support to be more job ready and able to conduct themselves well at interview as well as understand the requirements of being in a workplace. They feel that residents need more work experience and opportunities to find out what kinds of environments would be best suited to them.

The challenge is that this requires a collective ask and management of opportunities, although as currently structured, employer engagement is not coordinated centrally and limited to the networks and relationships providers already have.

### **3.7 Conclusion and recommendations**

Based on the analysis above, the key implications for the Southwark Works commissioning model are as follows.

1. Southwark Works should be prepared for sustained high unemployment levels for at least the next year and consider how it can play a role in mitigating the impact of this in Southwark.
2. Neighbourhoods in the centre of the borough should be prioritised as they have the highest levels of unemployment and vulnerability.
3. The current provider offer appears to be able to provide support for the diverse needs of Southwark residents, however in light of the cost-of-living crisis and the need to encourage people back into employment, further support is needed around income and benefit maximisation, financial capability support and access to mental health services.
4. For disabled residents and those with low level of IT literacy and poor access to the internet further support is needed to help navigate opportunities and online applications.
5. There may need to be greater focus on supporting those further from the labour market or with little work experience and consider using work experience opportunities, work-based interviews and volunteering to build better CVs.

Further develop interview and job readiness skills so that residents have greater success at securing employment.

## 4. Motivations, success and further support

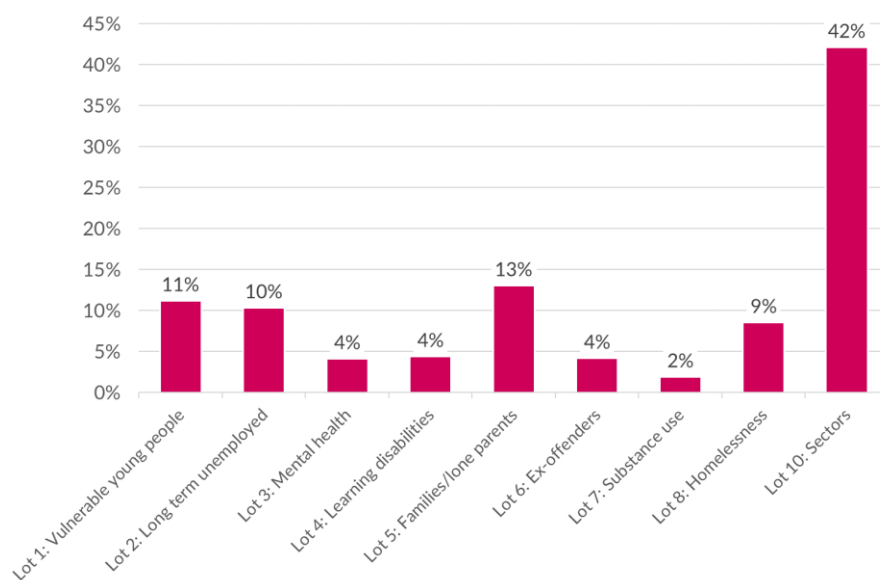
### 4.1 Introduction

In this section we review the reach of Southwark Works, how residents discovered the programme, and what motivated them to register. We also reflect on the impact of the Southwark Works environment on residents' continued engagement with the programme.

### 4.2 What the data is telling us

Between 2019 and 2022 a total of 6,617 people registered with Southwark Works. As shown in the chart below, Lot 10 (sectors) had the most registrations (2,788) accounting for over 40% of all of Southwark Works. The next largest Lots by registrations were Lot 5 (families and lone parents), Lot 1 (vulnerable young people), and Lot 2 (long term unemployed). At the other end of the scale, Lot 7 (substance use) had only 127 people registered.

**Figure 2: Percentage of registrations by Lot**



Source: Southwark Works internal data

Notes: Registrations for Lot 5 and part of Lot 10 are estimates due to registrations to the JCCS provider not being distinguished between Lots. JCCS registrations have been split between Lots 5 and 10 in proportion to the amount of funding allocated to both Lots.

Across all providers excluding GetSet,<sup>3</sup> participants received an average of three interventions before achieving a job, and the majority (75%) received three or fewer interventions. Only a small number (5%) accessed support from their provider more than 10 times, but some individuals required a large amount of support – accessing the services more than 30 times. The most common types of support were one-to-one meetings, action plan activities<sup>4</sup>, and CV assistance. By contrast, less than 5% of people received digital support, secured a work placement<sup>5</sup>, accessed non-accredited training, or completed individual learning plan/action plan.

21% of participants are recorded as receiving no support at all, and when GetSet is also included this rises to 35%. This reflects issues and inconsistencies in the reporting of data by different providers, and we expect that the actual proportion who received no support is closer to 5%-10%. This means that over 25% of participants are not having their activities recorded, which significantly limits how well the journey of Southwark Works participants can be tracked. More consistent data recording across all providers would be beneficial for the accuracy and depth of any future research.

## 4.3 Residents' views

### 4.3.1 Outreach

The majority of those spoken to discovered Southwark Works through one of three methods: referrals from Job Centres, referrals from other third-sector organisations, or through word of mouth.

Of those three methods, referrals from other third-sector organisations are most common. Residents had been accessing other support services who then referred them directly into Southwark Works or one of their providers. Referrals from Job Centres were also common. In both cases referrals were often made after a discussion with a staff member or work coach highlighted a need or desire for additional support around employment.

---

<sup>3</sup> As noted above, where we have analysed the Hanlon data by the support provided, we have excluded data from the provider GetSet due to potential inaccuracies in the information recorded. GetSet accounts for 20% of all registrations at Southwark Works and 16% of people who started a job / apprenticeship or accessed accredited training. Therefore, the figures excluding this provider represent the vast majority of Southwark Works participants, but may differ slightly from the true figures.

<sup>4</sup> This relates to progress against personal goals and objectives.

<sup>5</sup> Usually a trial or unpaid placement.

*“This all started with me telling my work coach [at the Job Centre] that I felt lost and didn’t know what to do. I felt too old for the jobs I wanted to do. My agent told me about Southwark Works.”*

Many residents also heard about the programme through word of mouth, with family and friends either recommending the Southwark Works programme directly or one of the provider organisations.

A smaller number of residents discovered the programme online through Google or job search sites, or through referrals from a healthcare practitioner.

None of the residents spoken to said they heard about the programme through out-of-home advertising such as leaflets or flyers and many felt this could increase engagement. Residents felt dropping flyers into existing networks or systems, such as community groups, youth clubs, church groups, or youth offending services would be effective.

### 4.3.2 Experiences of support

This section focuses on how residents’ experience impacted their motivations to continue with the programme.

Several residents said they felt listened to, understood by their coaches, and said this resulted in their continued motivation and encouragement to pursue work or upskilling as it gave them the belief that Southwark Works programme would be beneficial for them. Because of this understanding, residents built close relationships with their coaches, and felt they were able to open up about other aspects of their life or their job search. They felt doing so was important, as it helped them overcome issues that had potentially held them back from employment.

*“I could talk to my coach and tell him about my anxiety around work and my depression. He said he could look into changing careers, and that’s when it clicked in my head – I’d had enough of what I had been doing.”*

In a few cases individuals looking for specific roles in niche sectors felt they were not listened to or fully understood. They said their coaches sent them roles that did not relate to their goals, and in some cases felt they had to educate their coaches about the sectors they wanted to go into.

*“A lot of what they were sending me were apprenticeships which I wasn’t qualified for, or other roles that required a degree of skill I didn’t have.”*

## 4.4 Providers’ views



### 4.4.1 Outreach

All providers report a current shortage of footfall into services. There are a variety of reasons which may be contributing to this including a lack of referrals from JCP:

1. DWP priorities in targeting Restart priority group. Restart is a government programme set up as part of the recovery from the pandemic to support long-term unemployed on Universal Credit.
2. Claimants not being asked to come in and sign on
3. Relaxing of the requirements to be actively looking for work, and debt not being taken account of when considering job affordability.

However, a recurrent theme is that pay is insufficient and the opportunity cost of taking up work only to be marginally better off is not an incentive to work. This reflects the range of jobs on offer, the pay and conditions and what employers are able to offer in terms of progression. Focusing job outcomes that fit within a “Good Work” framework may make employment more appealing.

Providers also reported that the source of referrals were from a several routes: the Southwark Works website, JCP, the council, and via providers. However, referrals via local authority services were not highlighted by providers as being consistent and this could be an area of development for the next framework.

*“Referrals are at an all-time low. Many are not engaging with services and the foot fall is low. There is usually a constant stream of referrals.”*

#### St. Giles

All providers report outreach and engagement as being an important and ongoing activity. Some report having stronger profile and legitimacy within target communities as a result of the pandemic through pivoting services to provide support around access to food banks, support around furlough, mental health first aid to those who have struggled during Covid-19. Our overall assessment is that the next framework will need to have a greater focus on community engagement and outreach.

## 4.5 Conclusion and recommendations

1. Residents value Southwark Works and are accessing a range of services. However some interventions are used more than others. Given feedback from both residents and employers greater use of work experience and IT support would make a difference to the success of the programme.
2. The role of trust and relationships between work coaches and residents is critical to the success of the service and important that this level of support is continued and consistent across the provider network.
3. There needs to be a more targeted local engagement strategy and given the challenges around referrals and of reversing the impact of long-term unemployment on individuals greater investment is needed to reach and engage residents into the service. This would need to include a review of outreach and engagement practices, clarity on priority group referrals and unlocking referrals through other services.
4. Providers need to be recording information consistently on residents so that better analysis of take up and performance can be used to inform the development of the programme and to pivot services where needed.

## 5. Meeting the needs of key client groups

### 5.1 Introduction

This section examines Hanlon data on which demographic groups registered with Southwark Works and which services were accessed by these groups. It also includes residents' reflections on the accessibility of the service and views from providers on the need for holistic support.

### 5.2 What is the data telling us

We have looked at the breakdowns of registrations and services accessed by key indicators and ethnicity.<sup>6</sup> Breaking down the total registrations by some key indicators, we can see that:

- The vast majority of people who registered are unemployed, although a sizable proportion (18%) were in employment when they registered. Of those who are unemployed, the majority are on some form of benefits, with Universal Credit being the most common
- More men than women signed up for the services, reflecting the higher unemployment rates among men and although not shown in the data potentially easier for men to apply for a wider range of roles full time.
- Just over a quarter of people registered have a disability or health condition. In the UK as a whole, 21% of the working age population have a disability, meaning this group is slightly over-represented in Southwark Works users.<sup>7</sup>
- A similar number of registrations are people aged either under 25 or over 50. Together, these age groups make up half of registrations.

By ethnicity, the largest group to sign up to Southwark Works are those of black ethnicity (49%, or 2,603 people), followed by white (27%, or 1,415 people). This does not reflect the overall population

---

<sup>6</sup> As noted above, where we have analysed the Hanlon data by key indicators or ethnicity, we have excluded data from the provider GetSet due to potential inaccuracies in the information recorded. GetSet accounts for 20% of all registrations at Southwark Works and 16% of people who started a job / apprenticeship or accessed accredited training. Therefore, the breakdowns by key indicators and ethnicity represent the vast majority of Southwark Works participants, but may differ slightly from the true figures.

<sup>7</sup> <https://www.scope.org.uk/media/disability-facts-figures/>

of Southwark, which is 27% black and 54% white (as of the 2011 census).<sup>8</sup> This imbalance may be due to a number of reasons, such as differing unemployment rates between ethnicities (black unemployment in the UK is six percentage points higher than white<sup>9</sup>), demographics in providers' target areas, or marketing strategies attracting certain ethnic groups more than others.

The table below shows the percentage of people who took up different available services that were disabled, unemployed for 12+ months, on Universal Credit, or not on any benefits. A high proportion of people who accessed accredited training, action plan activities, interview preparation, and work placements were disabled. However, there appears to be little digital support provided to this group. People on Universal Credit access different services from those on no benefits – the former group particularly targets accredited training, action plan activities and digital support.

**Table 2: Percentage of people receiving support by disability / employment**

	Accredited Training	Non accredited training	Action plan	1:1 Meeting	Digital Support	CV Created / Updated	Interview Prep.	Securing a Work Placement
Disabled / health condition	28%	12%	25%	22%	9%	20%	28%	29%
No Benefit	29%	64%	34%	33%	41%	44%	44%	42%
Receives Universal Credit	59%	30%	56%	57%	54%	46%	41%	42%
Unemployed 12+ months	29%	12%	26%	24%	21%	22%	22%	24%

Source: Southwark Works internal data

<sup>8</sup> London Datastore Historical Census Tables. Available at: <https://data.london.gov.uk/dataset/historical-census-tables>

<sup>9</sup> <https://commonslibrary.parliament.uk/research-briefings/sn06385/>

In most support services, the level of uptake by different ethnicities is broadly in line with the overall ethnic split – this is true of interview preparation, CV support, 1:1 meetings, action plan activities, and accredited training. On the other hand, we can see that the digital support services were predominantly provided to people in black ethnic groups. Meanwhile, there were proportionately higher numbers of people of mixed ethnicity who secured a work placement and accessed non-accredited training.

## 5.3 Residents' views

### 5.3.1 Accessibility of Southwark Works

Many residents praised Southwark Works' accessibility. The majority of residents accessed the programme remotely, either through phone calls or virtual meetings on programmes such as Teams. Residents said they opted for this due its convenience and flexibility, while those with physical or mental health difficulties said it saved them making journeys which could be difficult.

The smaller number of residents who opted for face-to-face interviews said they feel they can express and communicate more easily. Some of those who chose remote appointments said they also chose face-to-face interactions for some aspects of the programme, such as interview preparation, as they felt this primed them for real-life interactions.

Several residents also praised responsive and consistent communication from their coaches. They said their coaches had been proactive in finding and sending jobs through regularly or were quick to answer any queries or deal with any application issues they were having.

*“Any issues were resolved very quickly. [My coach] was always texting me to see how I'm doing and when I was put in touch with a new coach I could email her anytime about anything and she would respond.”*

## 5.4 Providers' views

### 5.4.1 Holistic support

Providers believe that resilience amongst residents has been affected by the pandemic and motivation for getting employment is lower for many. They feel that helping people to manage the rising cost of living will create further challenges and that services will need to adapt by collaborating more and offer a wider range of support to avoid them falling into crisis situations.

*“Although much is already being done, the cost of living makes the challenge much greater. New services on income maximisation, budgeting skills and financial awareness are in pockets available, but it is felt that there is no central strategy, or reference point for this work around which efforts can coalesce.”*

## 5.5 Summary and recommendations

1. Southwark Works is successful at engaging and meeting the needs of its different priority groups with significant impact on black residents, people with disabilities and those on benefits.
2. Nearly 20% of residents are those that are currently in work, suggesting that in-work support is needed and likely to continue to be required as residents navigate the cost-of-living crisis.
3. Different methods of engagement are available, and residents can choose their preferred route. Ensuring digital inclusion via provision of broadband and equipment is crucial given the preference for online delivery and job readiness.
4. Providers are reporting the impact of the pandemic on residents’ resilience. This is likely to be further exacerbated by the cost-of-living crisis and progress can be setback as people manage financial shock. There is a need to increase financial capability support as well as consider whether there is potential to bring this together into a wider strategy of support and action.



## 6. Impact on wellbeing, skills, and employability

### 6.1 Introduction

This section reviews the impact the Southwark Works programme had on the wellbeing, skills, and employability of residents based on Hanlon data and the views of residents.

### 6.2 What the data is telling us

Of the 6,617 people who registered with Southwark Works since 2019, a total of 3,681 have been supported into an employment outcome of either a job, apprenticeship, or training – representing 56% of all who registered with Southwark Works between 2019 and 2022. Just over half (1,937) of these were job starts, with the majority of the rest (1,675) accessing training. By contrast, only 69 people who used Southwark Works started an apprenticeship.

Of those who achieved an employment outcome:

1. around a quarter had a disability or health condition;
2. 45% were female;
3. 26% were aged 16-25; and
4. around 85% were unemployed and approximately half were on Universal Credit, with a minority being on no benefits at all; and
5. roughly half were black, with slightly over a quarter being white. This compares to the entire population of Southwark being 27% black and 54% white (as of the 2011 census).<sup>10</sup>

The rate of achieving an employment outcome varies slightly between distinct groups. For example, people who are not on benefits were 11 percentage points less successful than those on Universal Credit, and men did better at securing a job outcome than women. The lowest performing group was those with disabilities and health conditions, where 49% of people registered achieved an

---

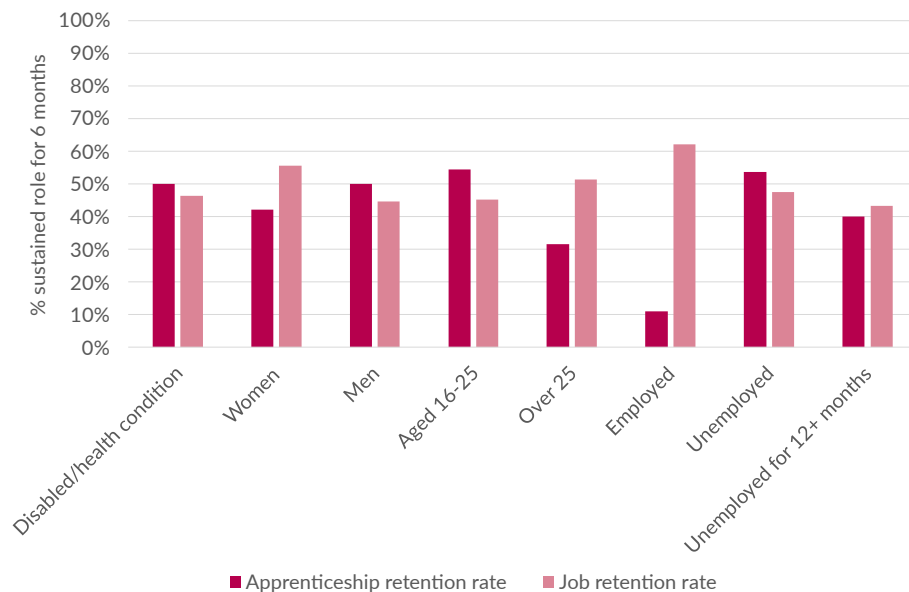
<sup>10</sup> London Datastore Historical Census Tables. Available at: <https://data.london.gov.uk/dataset/historical-census-tables>

employment outcome. Individuals in black and 'other' ethnic groups had the highest success rates (59% and 62% respectively), whereas those of Asian ethnicity appear to have performed worst, with 48% reaching a job, apprenticeship or training.

Compared to six similar programmes for which we were able to obtain equivalent data, Southwark Works has an above-average rate of people starting a job or apprenticeship – 30% compared to an average of 24% in other programmes. When those who entered training is included, Southwark Works has the highest success rate at 56%.

Using Southwark Works' internal data, we have also analysed the proportion of people who start a job or apprenticeship and remain in the role for at least six months. The data shows that the six-month retention rates across all service users was 50% for jobs and 48% for apprenticeships. Looking at the retention rates within distinct groups, some groups appear to have sustained their role better than others, as illustrated in the chart below. Across ethnicities, there is little variation in retention rates, and all are close to the average of 50%.

**Figure 3: Proportion of people who sustained a job or apprenticeship for six months, by key indicators**



Source: Southwark Works internal data

Notes: Excludes data from GetSet

Compared to other employment support programmes, people who started a job or apprenticeship through Southwark Works have a relatively high retention rate. Across four other similar programmes (the Work Programme, Solent Jobs Programme, Talent Match, and an anonymous comparator) there is an average six-month retention rate of 30%, with a maximum of 52%. The Work Programme and

Talent Match both set target job retention rates at the start of the schemes – 26% and 20% respectively. The job retention rate of 50% at Southwark works far exceeds these benchmarks.

Some of these comparators are designed to target specific groups of people, and so using the total population of Southwark Works participants may not be the most appropriate comparison. In the Solent Jobs Programme – which focuses on disabled people – the job retention rate is 18%, whereas for people with disabilities or health conditions who used Southwark Works, the figure is 47%.

Talent Match is a scheme aimed at young people and has a job retention rate of 17%, compared to 46% for 16-25-year-olds at Southwark Works.

This shows that Southwark Works is more successful than other programmes targeting similar groups.

## **6.3 Residents' views**

### **6.3.1 Southwark Works' impact on career skills**

Residents frequently mentioned the impact that Southwark Works has had on their skills. This includes skills necessary to job applications (e.g. CV writing skills or interview skills), as well as career-specific skills. Residents said their coaches worked with them to refine their CVs or helped them think more analytically about their employment history so they could include relevant experience in applications. Many residents felt because of this they could now write higher quality CVs and applications without needing support from coaches.

Many residents also said coaches helped them with their interview skills. Those new to interviews said their coaches taught them techniques such as the STAR (Situation, Task, Activity, Result) technique while those with considerable interview experience said their coaches helped prepare for interviewing for new sectors or roles.

### **6.3.2 Southwark Works' impact on career pathways**

Coaches supported their clients into a multitude of distinct roles, including voluntary, temporary, or permanent positions. Those who did not go into their 'ideal' roles still praised the service for getting them into work and recognised the roles they are in could act as stepping stones into other work.

*“With the support and encouragement of my coach, I had two good job offers and am now starting a new role in September. My main goal for my 8 sessions, which I shared with my coach at the start, was to receive at least one job offer, so to have had two is amazing.”*

Many residents said their coaches ‘opened their eyes’ to other possibilities. For example, one beneficiary who had worked as a driver for several years said they have realised they want to work in childcare, and their coach had arranged a course for them.

*“They have helped me understand why it is I can’t do certain jobs because of my criminal record. No one else ever took the time to explain to me what I can and can’t do because of the convictions.”*

### **6.3.3 Southwark Works’ impact on mental health**

Providers also positively impacted on residents’ mental health. This largely came through giving them the motivation and encouragement to continue on their employment journey where they had previously become demotivated or inactive. For some residents, this newfound confidence had wider impacts.

*“My biggest barrier to employment was my mindset. I was abused in my marriage and saw myself as good for nothing. They started talking to me, telling me to believe in myself and that nobody is a waste. I was scared about life, but they’ve woken me up and I’m not scared anymore.”*

## **6.4 Providers’ views**

### **6.4.1 Employment outcomes**

Morley college offered some interesting ideas around developing learning highways from local estate-based provision in areas of deprivation towards more formal learning environments. They identified Southwark as having numerous large registered social landlords which needed to increase the level of joint working to reach into disadvantaged communities. This needed to include a strategy around ESOL and how to work in partnership with migrant communities who are invariably stuck in low paid or insecure employment.

Whilst local jobs for priority groups are a priority due to well documented benefits some providers felt there is a corollary to the ‘local jobs for local people’ ambition which is exploiting good travel links and proximity to London-wide Jobs, and that focussing on jobs in the local area can also limit people’s horizons.

*"It is good to encourage people to travel and experience the city, good for confidence. People generally don't work in the borough they live in and this doesn't need to be different for disabled people. Travelling to work can allow for greater engagement in life and city."*

## Unity Works

More opportunities for deepening engagement with employers would be universally welcomed. S106 and employment and skills plan commitments have placed negotiated requirements and targets on developers and tier 1 contractors, and these incentivised relationships have progressed to meet mutual needs through recruitment fairs and other co-produced solutions such as the Skills Centre.

Base at Battersea Power Station have successfully moved the academy approach into retail and hospitality, while other organisations such as OPDC and West London Health Partnership with Imperial NHS Trust are all predicated on exploiting an integrated employment and skills approach around construction, healthcare and logistics. This places the focus of employment brokerages on a sector-based approach which can then be used to maximise the engagement of key employers and sectors within the local authority area.

## 6.5 Stakeholders' views

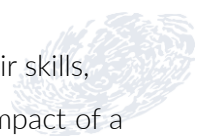
### 6.5.1 Employment outcomes

One stakeholder from Southwark HR saw an opportunity for Southwark Works to support the progression route from the internship programme and in developing work experience with employability support linked to LB Southwark vacancies. They are interested in co-designing and co-producing services to help deliver the new employment opportunities pathway.

The council are also in the process of getting their apprenticeship levy transfer approved where 25% could go to local supply chain and businesses. This is an opportunity to promote Southwark Works and to redefine its role in terms of apprenticeships.

### 6.5.2 Conclusions and recommendations

1. Southwark Works is successful at achieving job outcomes and sustained retention out-performing similar programmes by some distance for all of its groups. This suggests that the model and approach is effective and should be retained as it has greater success than national programmes at getting people into work.

- 
2. Residents report positively on the impact Southwark Works has had on their skills, employment pathways, and mental wellbeing, demonstrating the broader impact of a holistic employment service. These elements need to be maintained in future frameworks.
  3. Skilled and knowledgeable coaches play a big part in residents satisfaction, especially when it comes to recognising a resident's strengths and suggesting new roles or careers based on them. As highlighted in earlier sections the importance of a consistent and universal coaching approach is important in ensuring good outcomes for residents.
  4. There is scope to create greater connection with and to council recruitment strategies, apprenticeship levy and work experience opportunities.

# 7. Do employers value Southwark Works?



## 7.1 Introduction

In this section we consider the views from employers who have used or know of Southwark Works.

Whilst we talked to a range of employers, we were not able to talk to a greater number of SMEs or micro businesses, so the following findings reflect discussions with BIDS, developers, construction tier one contractors and other large employers in the borough.

There is an issue about employer engagement more broadly in that providers hold on to their employer relationships tightly. Often these relationships are managed by dedicated teams within providers who also work outside geographical boundaries. This has meant that it has been difficult to contact other employers for their views.

This poses questions about 'ownership' of the employer relationship and the extent to which employers view whether they have been supported by Southwark Works or by the provider. We are also not aware of what data is collected by providers on employers such as their location, size and name. We have recommended some options around branding and engagement further on.

## 7.2 Data

In the previous section we have looked at the impact of Southwark Works on residents' outcomes. Based on the analysis of Hanlon data and that Southwark Works outperforms similar programmes on job outcomes, it can be assumed that employers are benefitting from Southwark Works through recruiting local residents. The locations of the employers that residents go to are not recorded on the Hanlon system, so the extent to which employers in Southwark specifically benefit cannot be confirmed. In order to understand which employers benefit from the programme, it may be beneficial to record the location of employers (or at least whether they are based in Southwark) in future.

It could also be important to track longer-term retention (post 6 months) as any further progression for a resident with a job outcome in terms of pay and responsibility would be useful to understand for measuring the longer-term impact of the service.

## 7.3 Employers' views

### 7.3.1 Overall positive engagement

Throughout our evaluation it is clear that employers need staff and that job vacancies are high. Most of the employers we have spoken to understand the service offer, and several said they used the network for recruitment. Employers reported mixed experiences with Southwark Works.

Those that did engage with Southwark Works on a regular basis praised the communication and relationships that developed, and said they were made to feel part of a team. These were characterised by

- an enabling approach using tried and tested approaches to screening candidates and
- preparing them for opportunities with a clear understanding of employers' expectations developed through dialogue and employer input.

### 7.3.2 Developing a sector-led approach

S106 employment and skills plans along with the need to tackle skill shortages have been successful in engaging employers to recruit local residents. This has also led to improved recruitment practice in some cases. The role of sector led approaches has also worked and this is a potential area for development within the model.

Guy's & St. Thomas' are a good example of the benefits of deepening engagement. They remarked that, "Southwark Works acted like a sounding board, and with their support they were able to collaborate and to put hiring examples in-front of managers to support meaningful change in recruitment practice." They recently ran an online seminar with job coaches on how to write a CV for health, and how to better advise the candidates on opportunities.

*"For NHS hiring it is all about transferrable skills – people don't know how to talk to people – to articulate their experiences or their transferrable skills. – The job seeker may have been a carer for someone at home, so they need to think about their entire life and not just work.*

Guy's & St. Thomas' NHS Trust

### 7.3.3 Working closely with the council to fill jobs

The partnership with Comensura Ltd who has held the councils' contract on temporary and permanent jobs via agencies has shown remarkable results which demonstrate excellent partnership working and collaboration with Southwark HR, hiring managers and Southwark Works where key

roles have been identified across administration and clerical, IT, manual labour, trades and operatives, financial, HB and planning, social and health care unqualified. and HR.



*“From Autumn 2019 until now 520 job orders have been handled by Southwark Works, with 128 candidates put forward and 50 candidates having had a job as a direct outcome. This relationship has also supported 10 online webinars covering CV, interview skills, and how to present online with 328 invited, 268 attendees and 10/15% who have secured a job outcome.”*

Comensura Ltd

The success has been much to developing those partnerships and selling Southwark Works within the council in particular to hiring managers.

### **7.3.4 Areas for development**

However BIDs noted anecdotal feedback from members which suggested that Southwark Works struggled with volume and quality of applications. They also felt that there was no business case for taking on local Southwark residents who had additional barriers. They also reported that residents were not being very well-prepared for interviews.

*“Enhanced approaches were required to improve insights into the job, and to deliver a better quality of applicant. Many employers recognised participant confidence as being an issue.”*

Better Bankside

One employer mentioned some candidates in recent interviews were just *“going through the motions and did not display the right behaviours or understand the opportunity available and needed greater industry awareness.”* Individuals could also be quick to move on, which is not ideal for small, local employers who rely on modest staff teams. They reported more work experience would help in these situations.

*“A retail / hospitality location in the north of the borough was suggested to help develop customer facing skills and could use work experience as a means of developing BID employer links and practice.”*

Team London Bridge



### 7.3.5 Greater visibility

Several employers felt Southwark Works needs to become more visible via more promotion through the Council or through greater collaboration with the BIDs. This will require greater access to the employers and a better understanding of the Southwark Works model:

- The business case for its existence and its relevance to inclusive employment and social value
- Its focus on key target groups in tackling long-term disadvantage for Southwark residents
- The support available to employers in working with this client group as part of a responsible business agenda.

Businesses are not tied to using local staff and transport accessibility brings people in from outer London to the commercial north of the borough and the Southbank. This demonstrates that to be successful Southwark Works needs to develop its products with employers through a process of co-creation and to enable employers and local residents to find a mutual understanding of the needs and benefits of doing so.

*“Success perhaps needs to be measured by Reliability of candidates – regular flow of good quality candidates who understand and have work ethic. Actually, employers have quite a low bar and they will train themselves so right attitude and a level of aptitude are all important.”*

#### Southbank Employers

One employer representative involved with business, place and people saw Southwark and neighbouring Lambeth as a very similar geography both with strong areas of opportunity and areas which are dis-enfranchised.

*“Many residents are culturally priced out of opportunities in the north of the borough and increasingly don’t see it as a place for them. Whilst there are few natural affinities for the target groups jobs here are often the well-worn stepping-stones to greater opportunity for those less affected by multiple deprivation.”*

#### Southbank London

There is a shared view from providers that the appetite for retail and hospitality jobs has waned significantly because of the pandemic and it being a less attractive sector because of pay and

conditions. One provider suggested the importance to *'support residents to develop alternative skills'* so that they can work in different sectors, although retail and hospitality is an important sector for the borough. Work needs to be done to make these sectors more attractive to residents.

## 7.4 Conclusions and recommendations

1. Employers who engage with Southwark Works report positive experiences particularly those that have greater strategic relationships and connections to borough-based opportunities such as Anchor Institutions, developers and the council. This provides a firm foundation from which to build stronger relationships between large employers, key developments and sector-led approaches across the borough.
2. Greater efforts need to be made to ensure that candidates are both interview and work ready and that this must be consistent across the provider network. This will rely on more work experience and support, work experience opportunities within the model are used significantly less than other interventions (only 3% of participants were supported into work trial/placement activities, see **Error! Reference source not found.**).
3. Better intelligence on employer experience is needed to inform and develop practice, greater awareness of Southwark Works as the funder/lead to employers who engage with the service is needed. This could lead to a single branded offer so there is absolute clarity that employers are benefiting from Southwark Works and the rationale and business case for getting involved.
4. Better intelligence should be sought on outcomes that are based within and outside the borough and on tracking residents once they have found employment to measure longer term impact and retention.

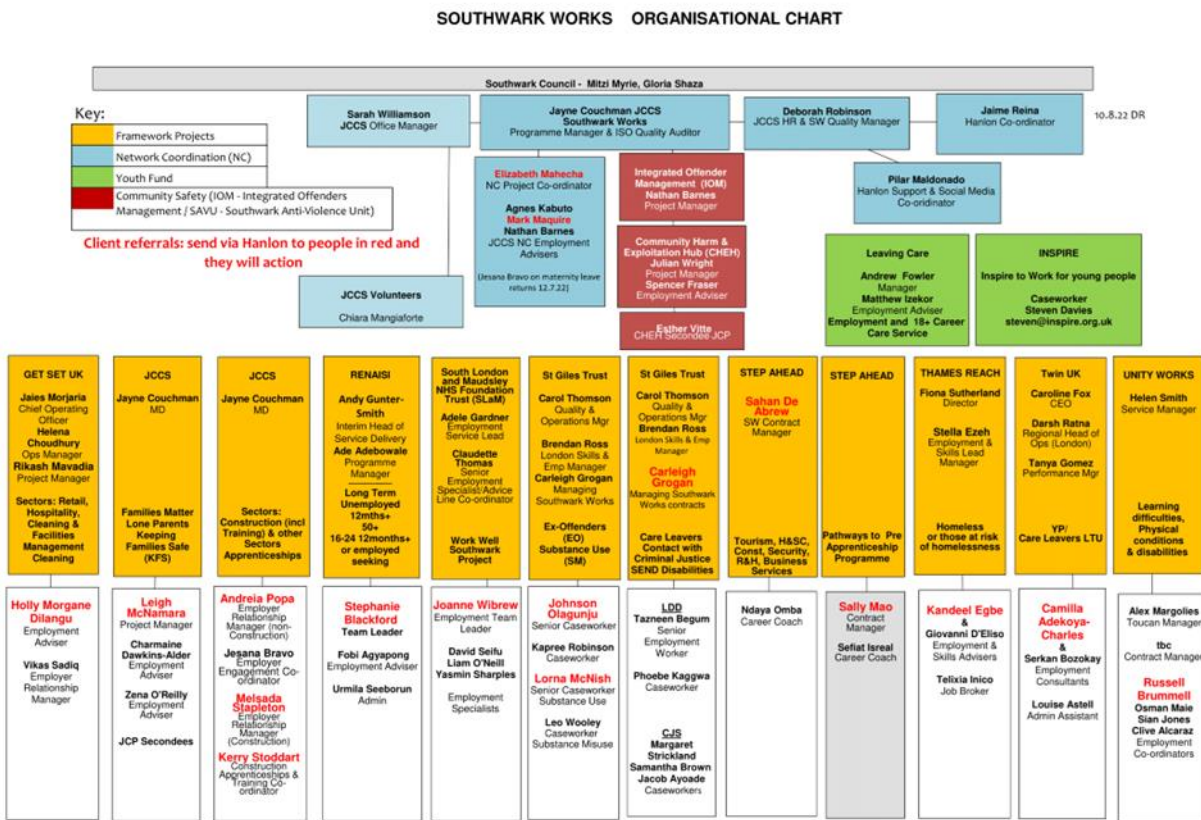


# 8. Effectiveness of the network

## 8.1 Introduction

In this section we reflect on the effectiveness of the network model based on our consultation with providers and stakeholders and make recommendations for future commissioning.

The following sets out the current Southwark Works model and the role of JCCS as both provider and coordinator of the network.



[https://southwarkworks1.sharepoint.com/sites/SouthwarkWorks/Shared Documents/M Drive/Organisational Chart/SW Organisational Chart 10.8.22](https://southwarkworks1.sharepoint.com/sites/SouthwarkWorks/Shared%20Documents/M%20Drive/Organisational%20Chart/SW%20Organisational%20Chart%2010.8.22)

The way in which the service is structured and supports a diverse range of needs, provides a framework for collaboration and connects into some council services demonstrates that it is a fundamentally a sound model. Our review of best practice and the role of council employment services see Appendix 1 has highlighted some areas for development including the role of in-work support, consistency of quality and the need to consider greater community outreach to encourage referrals.



## 8.2 Views from providers and stakeholders

### 8.2.1 Benefits of the network

The general view from providers is that there are many benefits to the network approach not least access to vacancies; referrals and cross-referrals; opportunity to share practice; book provision across the network; share job outcomes within the 10% of caseload; and having a shared system like Hanlon makes it easier to do work as there are less issues around data sharing. Providers feel that these benefits have an impact on improving outcomes for residents.

Activities targeted at specific priority groups have also worked well, for example a Job Fair specifically targeted at disabled residents demonstrated a real need to engage with this group.

Many providers report a desire to develop better peer to peer understanding of pathways; to regularise engagement; share input to publicity through newsletters across the network and have better networking into council services. There was a desire to see the report and new commissioning framework as an opportunity to re-invigorate Southwark Works.

*“To do more joint working and sharing of good practice. Now we have job brokerage referrals and outcome sharing we can joint work with TWIN on young people. There’s lots of partnership building for example other providers can make referrals to our Basic Skills project which supports Literacy, ESOL, and Digital skills.”*

Thamesreach

### 8.2.2 Relationships with council services

A number of providers report an active and ongoing relationship with Southwark council internal departments. The leaving care team, youth offending services, community education, NEET education access, and young people’s services appear to be the most engaged with the Southwark Works Service.

LB Southwark Adult Learning describe the relationship with Southwark Works and its role on employment support – *“Its fluid, developing formative. To be more integrated we need to define the structures more.”* Our priority is to make sure curriculum offer meets needs and aspirations of local people re-skilling, upskilling and contributing to the council vision of a future for Southwark residents. *The two have to come together. It’s like a Double helix.*

## LB Southwark Adult Education



A point of real strength in joint working is with Supported Families (previously Troubled Families) where cross-referrals are happening, co-location with the DWP staff secondees, and participation in the Supporting Families Employment group.

However there needs to be more effective working with housing and other statutory LB Southwark departments where Southwark Works services can provide work focused poverty reduction services and help tackle disadvantage.

*“The Southwark Works is quite good. But not good at putting us into contact with key people. Unity Works have not had a chance to lobby key decision makers in Southwark council. Introduce Unity Works to the decision makers. Who has the power to actually trickle down the message to hiring managers in the council?”*

### Unity Works – Disabilities specialist

Providers are interested how the council and its supply chain can be made aware of Southwark Works, and the social value agenda through its procurement. It was felt by providers that these linked agendas need to be developed with a clearer strategy from the council.

### 8.2.3 Areas for development

Although overall there are benefits of the network, there remain some challenges around the engagement of all providers and the challenges that providers are currently experiencing around referrals. There is also little evidence of cross-referral with individuals and with employers so this maybe impacting on their experiences as they navigate the service.

Some providers do not engage in the network nor comply with their contractual requirements around data provision so this will need to be addressed through the new commissioning process.

It is important to acknowledge that whilst this model is based on collaboration and partnership, outside of their Southwark Works contracts, many providers will be competing with each other for other funding and contracts. This can negatively impact on relationships and make providers wary of working together.

This might make it difficult for a provider such as JCCS to both manage and deliver within the network, although we have not seen evidence of this from our consultation.

It might be worth considering looking at potential to incentivise providers to bid collaboratively for the next commissioning round or provide enhanced payment when a collaborative approach has been used to achieve an employment outcome.

As the service will likely need to pivot to:

- providing more pre-employment support,
- greater encouragement and engagement with inactive residents and
- an offer which focuses on improving financial wellbeing.

this may be an opportunity to bring in providers that offer specialisms within an employment pathway and a distinct service, rather than a full end to end pathway.

It will be an important feature to build in time and resources to support outreach and engagement and encourage referrals into the service. This might include a more diverse group of community partners, a dedicated referral service and greater collaboration between providers to encourage referrals between and across services through incentivising.

## 8.3 Conclusions and recommendations

1. We recommend that the network model is continued with additional capacity and support given to the commissioning team and Southwark Works to manage the performance of the network. This could be through an external monitoring and evaluation resource (third party) or by having more dedicated officer time.
2. This role can provide ongoing performance information to support management and decision making about providers, offering a more adaptable model through more dynamic monitoring and evaluation of the service so that provision can shift, effectiveness measured and transparency of data to proactively manage performance and provide support where and when needed. This might also include flexibility to bring other providers in as labour market changes take place.
3. We recommend a review of whether the current management information is appropriate and sufficient to manage the performance of the network and the scope in which to better record interventions and activity, progress and distance travelled.

4. We recommend that investment into tools such as the Outcomes Star or some form of standard measure of distance travelled is used across the network, given the types of clients and their longer or more complex journey into work.
5. Consideration is given to ensure that providers are working to best practice, case workers have consistent approaches to support and learning and that providers are compelled to provide data, attend learning and be pro-active in the network.

# 9. Key findings for future commissioning



## 9.1 Introduction

The following section draws on the findings and recommendations from this report to provide a template for the future commissioning framework of Southwark Works. This is also based on the learning and review into best practice, the feedback from providers and stakeholders and our reflections on the opportunities for a more coordinated brand and offer to employers and partners.

## 9.2 Gaps

The Southwark Works model provides a range of services and support to residents and in this regard is comprehensive in terms of the provider profile and focus on target groups. However based on our assessment we have identified the following.

### 9.2.1 Target groups

Southwark Works is reaching its target groups given its high reach into ethnic minority communities, people with disabilities/health conditions, young people and those with more complex needs. This needs to continue. However in considering the current and future climate that there will need to be a sustained focus on supporting:

- Those residents that are facing multiple disadvantage and more complex needs
- Longer-term unemployed (i.e. 12 months plus) with more wraparound support particularly supporting mental health, resilience and confidence
- Over 50's and those who are struggling to get back to work because of their age/health condition
- Residents who are struggling as a result of the cost-of living crisis who are either in work and need support to improve income or those on benefits who need income maximisation help to avoid debt, rent arrears and potential homelessness.

This might require a more nuanced approach to outreach and engagement and the need to use local community organisations to encourage referrals into the service, given that current referral routes are not working as well as they used to.

### 9.2.2 Services

Southwark Works has a broad offering and support for residents and provides a range of interventions to support people into work. However feedback from both employers and providers suggest that further work needs to be done to encourage greater interview and job readiness, particularly given the types of clients likely to need to use the service in the future:

- Additional and targeted support around financial capability, advice and inclusion needs to be in place to manage the scale and level of needs for those in and out of work as a result of the energy and cost of living crisis. This could either be as a dedicated service or with money advice being a core component of delivery
- Significant increase in the use of work experience, work placements and work-based interviews to improve readiness for work for those with more complex needs and further from the labour market to plug gaps in CVs and improve confidence at interviews
- Greater focus between what employers need and their engagement with residents through workshops and events to showcase their recruitment process and to build knowledge with coaches and residents on how to complete applications and conduct interviews
- Provision of mental health support and additional help around building resilience and capacity to manage difficult situations
- Particular support around IT and digital inclusion for people with disabilities and health conditions

### 9.2.3 Employer engagement

There is a challenge around the approach to employer engagement and the need to identify how and where residents are accessing work and the ability of providers to sustain a long-term relationship with the employer if they do not have the capacity to do so. Employers want better relationships and more targeted approaches to working with residents, the current set up of employment engagement does not allow for a sustained relationship and one that is clearly branded as Southwark Works. There also appears to be no way of understanding who with and where job outcomes are being achieved.

## 9.3 The model

### 9.3.1 Structure

In general the model works and most providers report getting involved and benefitting from this wider collaboration. However there are some potential changes for consideration:



- There needs to be common and minimum standards on one-to-one support so that the experience is universal. Providers have various levels of capacity so it might mean that some providers may need more support than others particularly if needing to bring in smaller community organisations to encourage referrals.
- There is a clear need to bring in new providers that can reach into target groups and communities to encourage referrals into the service. We suspect that these will be smaller Voluntary and Community Sector (VCS) organisations and ones which may require support to onboard onto the framework. There also needs to be specific geographical presence in central areas of the borough, such as Peckham, Walworth and Camberwell.
- As highlighted in this report the nature of need is changing and the framework will need to be able to adapt as the picture changes. We recommend continuing with a two-year break clause with the option for you to bring in additional providers to support changing needs.

### 9.3.2 Compliance

There needs to be specific requirements on providers to produce data and information to support the performance management and monitoring of the framework. This includes:

- Submission of data for the Hanlon system – one provider (Get Set) does not fully comply which will have skewed some of the findings
- Data collected on employers and where jobs are based so that better employer intelligence is available
- Job coaches recording activities systematically – again some data has been unavailable so findings may have been skewed i.e. 35% of clients with no activity recorded when in practice this is likely to be 10% of clients (according to feedback from Southwark Works)

- There is no standard recording of progress for clients, and we recommend that a tool such as the Outcomes star<sup>11</sup> is used to provide greater evidence on the impact of interventions and support on clients through their journey into work
- Minimum standards for coaches to ensure consistency of support across the network.

## 9.4 Monitoring and learning

There needs to be greater focus on performance management and reporting in a more regular and dynamic way. This will help to address wider issues more quickly i.e. responding to lack of referrals and to create a greater sense of the model being owned and supported by the providers.

There needs to be more active management and support for providers and initiatives to bring together insight and learning from others such as employers, managing caseloads, sector knowledge, etc to improve the offer to clients. This might be best done through a third party or through a dedicated role to support the network to encourage greater collaboration, cross referrals and responses to changing market conditions.

## 9.5 The brand to employers

Finally we think there needs to be a radical change to employer engagement and the branding of Southwark Works to employers. Sectoral approaches with individual employers have worked well and there is an ambition for employers to recruit locally. However the way in which employer engagement is managed by individual providers does not allow scope for cross-referral and joining up. There is competition for employers and relationships are held and guarded closely by individual providers. There is no sense that the services employers receive are as a result of Southwark Works, nor is data collected on what jobs are being filled in Southwark. This means that engagement is transactional rather than based on a developed relationship making the connection between what local employers want from local residents and services difficult to evolve.

We suggest that this might be better managed as a distinct element for the framework, a Southwark branded front door for employers to connect with service. As with referral management, a coordinated approach to working with employers will be effective as well as ensure that local opportunities are prioritised for local residents. Although job outcomes will come from across

---

<sup>11</sup> Triangle Consulting – Work and Skills Outcomes Star [Work Star | Triangle \(outcomesstar.org.uk\)](https://www.outcomesstar.org.uk)

London, having a specific offer for Southwark employers will also help shape provision and have a greater connection between the local skills and training offer and what local employers need.

## 9.6 A one council approach

We have reflected on the numerous opportunities available to link Southwark Works to other council agendas. Although this happens for some departments such as social care and through Comensura and works well, there is potential to extend this to other departments and strategies and we suggest that a more deliberate effort is made to connect these agendas together.

Examples include:

- **Social Value** - any potential opportunities gathered through contractors and their supply chains are given 'first refusal' to Southwark Works where appropriate
- **Demand management** – particularly focusing on residents receiving housing benefits using Southwark Works more proactively as an intervention to help mitigate risk of homelessness
- **Service delivery** – using opportunities to develop sector-led training with Southwark Works for jobs critical to council service delivery where there are recruiting challenges i.e. care workers
- **Convening** – using the convening power of the council with other partners and anchor institutions in the borough to have a shared commitment to using Southwark Works for recruitment.

Caroline Masundire, Director

Phil de Montmorency, Principal Consultant

Alasdair Crookes, Senior Consultant

Alistair Ross, Consultant

Offices:

London

T: 0207 253 6289

Edinburgh

T: 0131 226 4949

Newcastle

T: 07887 67 34 07

[www.rocketsciencelab.co.uk](http://www.rocketsciencelab.co.uk)



<b>Item No.</b> 13.	<b>Classification:</b> Open	<b>Date:</b> 17 January 2023	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 1 Procurement Strategy Approval Voids and Temporary Accommodation Voids Works for Contracts A, B C & D	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Darren Merrill, Council Homes and Homelessness	

### **FOREWORD - COUNCILLOR DARREN MERRILL, CABINET MEMBER FOR COUNCIL HOMES AND HOMELESSNESS**

We have seen over the covid period an increase in the time it takes to bring forward voids, with an increased backlog of potential homes for our residents. We have also seen an increase use of temporary accommodation as the cost of living begins to bite.

It would be remiss of the council not to acknowledge that we have a moral duty to make sure that we do all we can to bring forward high quality, affordable homes as soon as possible.

Below details the reasons for going out to contract, consisting of 4 lots making it attractive to Local SME's to tender for over a 3 year period.

We also clearly state in recommendation 2 and 4 that the preferred option of an in-house voids service is required to be planned for within the 3 year period, with a clear plan for this being approved in the coming months.

Our ambition is to make sure that all voids within the council housing stock are brought forward, at a high quality in a reasonable time frame. Giving our resident the opportunity who are waiting for a great family home.

### **RECOMMENDATIONS**

That cabinet:

1. Approves the procurement strategy outlined in this report to undertake a restricted tender procedure for four voids and Temporary Accommodation voids contracts:
  - Contract A - Bermondsey, Rotherhithe and Borough and Bankside at an estimated annual cost of £2.95m
  - Contract B - Peckham and Nunhead at an estimated annual cost of £2.95m,
  - Contract C - Camberwell and Dulwich at an estimated annual cost of £2.95m and;
  - Contract D - Walworth and Temporary Accommodation Out of Southwark at an estimated annual cost of £2.95m

for a period of three years from September 2023 (£35.4m) with the option to extend up to a further two years (in increments at the council's sole discretion subject to performance) making an estimated total contract value of £59m.

2. Notes that Asset Management is required to prepare and present a detailed in-house strategy for the future services in the spring of 2023.
3. Notes that the procurement strategy in this report will result in bidders being required to bid as backup to each other on their tendered rates to ensure an efficient service delivery.
4. Notes that as the repairs improvement plan progresses and is embedded in a dedicated in-house voids team will be set up to deliver high quality voids by Southwark Repairs consisting of operatives and managers within three years as further detailed in paragraph 16.
5. Delegate's authority to the Strategic Director of Housing and Modernisation to approve the Gateway 2 report for four voids and Temporary Accommodation voids works contracts for the reasons outlined in paragraph 43 of this report.

## **BACKGROUND INFORMATION**

6. On 1 October 2018 the building repairs and maintenance service was brought in-house and Southwark Repairs (previously Southwark Building Services) were issued the following work streams:
  - day to day repairs
  - out of hours emergency service
  - disrepair
  - general needs voids
  - temporary accommodation voids and
  - temporary accommodation repairs.
7. In order to meet service demands, the council procured five contracts to assist Southwark Repairs, as follows:
  - three contracts for the provision of general needs voids works for Traded Services with BCS (Electrical and Building) Services Ltd (Contract A), GC Construct Ltd (Contract B) and Sandersons Building Services Ltd (Contract C) and
  - two contracts for the provision of temporary accommodation voids works for Traded Services with BCS (Electrical and Building) Services Ltd (Contract A) and GC Construct Ltd (Contract B).
8. These contracts commenced on 2 September 2019 for an initial one year period with an expiry date of 1 September 2020.
9. On 7 April 2020, cabinet approved the 'Repairs Service Improvement Plan' which had a number of recommendations including: removing the client/contractor split; quarterly reporting on progress; and transferring Southwark Repairs (previously

Southwark Building Services) (a business unit within Tooley Street) from the Environment and Leisure directorate to the Housing and Modernisation directorate.

10. On 13 May 2020, as part of the transfer, asset management officers carried out a review of the Southwark Repairs supply chain and presented a report to the Strategic Director of Housing and Modernisation noting a number of risks one of which was that the five contracts were due to expire on 1 September 2020 leaving insufficient time available to re-procure and recommended that these contracts be extended. A 12 month extension was approved via two Gateway 3 reports dated 28 August 2020 giving an expiry date of 1 September 2021.
11. As the existing five contracts were due to expire on 1 September 2021, further extensions were sought and approved via four Gateway 3 reports dated 11 October 2021, 9 December 2021 and 30 April 2022 for both the general needs voids contract and the temporary accommodation voids contracts giving an expiry date of 31 July 2022. A further three month extension provision for the general needs voids and temporary accommodation voids contracts will be sought to ensure continuity of service up to 31 October 2022. When the procurement exercise is underway, a further eleven months extension provisions for the general needs voids and temporary accommodation voids contracts will be sought until the new contracts have been procured and are in place.
12. It is essential that Housing and Modernisation has arrangements in place to provide general needs voids and temporary accommodation voids works across the council's housing stock to ensure it can reduce homelessness and maximise rental income. The Covid-19 pandemic has resulted in a backlog of repairs that Southwark Repairs are actively working through and these proposed new voids contracts will allow Southwark Repairs to focus on front line services for tenants and also contain arrangements for Southwark Repairs to take voids back in-house as the improvement plan is progressed.
13. The proposed scope of works to all void properties will be:
  - repair and refurbishment works
  - compliance, safety checks and works
  - energy improvement measures
  - damp and mould treatments
  - decorative works
  - electrical and mechanical works and
  - back up to disrepair works when required to assist in peak demands.
14. The contracts will be awarded based on a geographical split of the borough as set out below, each providing all of the works with an initial term for each contract of three years with the option to extend for a further two years.
  - Contract A: Bermondsey, Rotherhithe and Borough & Bankside
  - Contract B: Peckham and Nunhead
  - Contract C: Camberwell and Dulwich
  - Contract D: Walworth and temporary accommodation Out of Southwark

15. It should be noted that given the nature of the works and the anticipated volume of orders across the borough, the appointment of a single contractor would not be appropriate. It is considered that such an arrangement would present a significant risk to the council should that contractor default or fail to perform or suffers insolvency. Such a risk would increase in the absence of any backup or support arrangement with an alternative contractor. Therefore no single contractor will be awarded more than one contract area and four contractors will be appointed who will also act as backup to each other.
16. The proposed contract duration of three years with the option to extend for up to a further two years provides the following advantages:
  - Allows for security, whilst being able to determine longer terms plans;
  - Allows asset management to implement and evaluate the performance of its in-house repairs improvements plan, and should this produce the required service targets then arrangements can be made to bring the works in-house during the initial term and not extend for the further two years.
  - Allows Southwark Repairs to recruit operational staff and operatives to assist with urgent building safety works such as electrical inspection and condition reports.
  - Gives sufficient time to re-procure future contracts to meet demand for these works if the in-house option proves to be not viable.
  - Realises fairer future commitments from the successful contractors due to the term of the contract and consistency of work load, including:
    - i. the opportunity for contractors to develop long term supply chains,
    - ii. to invest in a number of social value initiatives to improve local communities, and
    - iii. to build a long-term relationship with the council's training and employment partners to provide local apprenticeships in the construction industry.

### **Summary of the business case/justification for the procurement**

17. The work proposed under these contracts will enable the council to meet its obligations as a social housing landlord and ensure it has arrangements in place to maintain its properties and turn voids around so it can meet its statutory obligations.
18. The contracts will contribute to maintaining the council's housing stock complementing future asset management strategy.
19. Residents rely on the council to ensure that all general needs voids and temporary accommodation voids are maintained to a standard and provide socially affordable homes.
20. Subjecting these requirements to competitive tender will demonstrate best value to the council.

21. To ensure service delivery, these four contracts will provide backup arrangements to each other and will also have the ability to bring some voids in-house when Southwark Repairs has the resources available.
22. The organisation of service delivery areas reflect the volume of orders and values, and present to the market packages that local small and medium-sized enterprises can tender for and resource. This is expected to attract competitive tenders but at increased prices, due to inflation in the price of materials, which will be known on receipt of tenders.
23. The proposed contract duration of three years with the option to extend for up to a further two years will enable officers to analyse the contracts' approach to determine its effectiveness. This analysis will form the basis of benchmarking its potential in-house option and if necessary for procurement of longer term contracts.

### **Market considerations**

24. A desktop study identified a number of small, medium and large contractors within the market that could deliver the proposed work.
25. As a publicly advertised tender, all organisations including small and medium-sized enterprises will be able to participate in expressing an interest and tendering.
26. Brexit and the Covid-19 pandemic has had an impact on the construction market especially around skills shortages, import and export of materials and potential changes to regulations and standards. These challenges will have an impact on how bidders tender for works and it is likely to impact on the price for skills, materials. The establishment of long term contracts will assist in mitigating potential impacts through providing long term visibility of work.
27. The Ukraine war has also had an impact on steel prices, fuel and cost of utilities adding further volatility to the construction market.
28. As part of this procurement process financial checks and due diligence will be undertaken.

### **KEY ISSUES FOR CONSIDERATION**

#### **Options for procurement route including procurement approach**

29. The nature and value of these works means that the full tendering requirements of the Public Contracts Regulations 2015 (PCR 2015) (as amended) will apply. The following procurement options have been considered:
30. Do nothing - this is not an option available to the council. As a landlord it is essential that the council refurbishes voids and temporary accommodation voids properties to ensure it reduces the impact of additional costs for supporting homeless.

31. The council provides these works in-house – Southwark Repairs is the council's in-house repairs and voids service for all council homes. At this time, this is not a viable option as Southwark Repairs is embarking on a repairs improvement plan and resources are being directed towards day to day repairs to reduce the backlog that has built up over the Covid-19 pandemic period. Southwark Repairs will shortly be recruiting both operational staff and operatives to assist in delivering the building safety programme for electrical inspection works. Both the improvement plan and the electrical inspection are high priorities for the council.
32. The use of internal or external frameworks - whilst there are external frameworks for voids works available, this is not a viable option as currently does not give access to the council's local small and medium-sized enterprises including the existing incumbents.
33. Shared Services - the neighbouring boroughs already have their own contracts in place, which have not been opened up for other boroughs to use.
34. As none of the above options are suitable and these works are estimated above the PCR 2015 threshold for works, it is recommended that a fully advertised tender process using a restricted tender procedure be used to procure these works.

#### **Proposed procurement route**

35. This procurement is to undertake the PCR 2015 restricted tender procedure, as opposed to the open procedure, via the eProcurement System. In response to the eProcurement System advert and Find a Tender Service notice, companies interested in tendering will be required to formally express an interest on the eProcurement System in order to view the PAS91 pre-qualification questionnaire, draft tender documents and to submit a completed PAS91 pre-qualification questionnaire by the deadline set.
36. The procurement documents will set out that up to a maximum of 16 organisations will be selected for the combined tender list for the four contracts (Contracts A, B, C and D), subsequent to the PAS91 pre-qualification questionnaire process. In the event that any applicant achieves a score within two marks of the lowest scoring applicant that is being invited to tender, it will be included in the shortlist and progressed to the Invitation to Tender stage as well.

#### **Identified risks for the procurement**

37. The table below identifies a number of risks with this procurement, the likelihood of occurrence and the controls in place to mitigate the risks.

<b>R/N</b>	<b>Risk Identified</b>	<b>Risk Rating</b>	<b>Mitigation</b>
R1	The procurement process fails due to inadequate quality of	Low	Ensure that tender documents are drafted to facilitate submissions of required standard.

R/N	Risk Identified	Risk Rating	Mitigation
	submissions by tenderers		
R2	Successful contractors cease trading; go into liquidation or administration leaving works incomplete.	Low	Each contractor will act as back up however in the event of both failing then back up contractor(s) will be selected from the council's approved list. Robust due diligence of tenderer's financial situation will be undertaken.
R3	Covid-19 pandemic	Medium	Allow longer time periods for tenderers to submit bids. Offer virtual information day if under lockdown restrictions.
R4	Inflation	Medium	The price model targets contractors to price appropriately as opposed to a race to the bottom i.e. cheapest price. The contract terms includes Building Maintenance Indices and individual exceptional cases will be reviewed on their own merit.

38. A performance bond will not be required for these contracts. The contract documentation will include for retention of monies to be held until satisfactory completion of the works. A parent company guarantee will be required if the successful contractors have an immediate parent or ultimate company.

### Key /Non Key decisions

39. This report deals with a key decision.

### Policy framework implications

40. The procurement of these contracts will follow the Fairer Future Procurement Framework to support the Borough Plan and Fairer Future Commitments to deliver value for money and be open, honest and accountable.
41. The delivery of these contracts fit with the council's objectives as outlined in the Fairer Future Commitments, specifically:
- A place to call home
  - A place to belong and
  - A great start in life.

### Procurement project plan (Key decisions)

42. The table below sets out the anticipated timescales for this procurement. However, this is subject to the number of expressions of interest received and resources available.

<b>Activity</b>	<b>Complete by:</b>
Enter Gateway 1 decision on the Forward Plan	24/01/2022
Brief relevant cabinet member (over £100k)	01/06/2022
DCRB Review Gateway 1:	11/07/2022
CCRB Review Gateway 1:	21/07/2022
Brief relevant cabinet member (over £100k)	17/10/2022
Deadline Agenda Planning	21/12/2022
Agenda Planning	03/01/2023
Notification of forthcoming decision - Cabinet	06/01/2023
Approval of Gateway 1: Procurement strategy report	17/01/2023
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	24/01/2023
Completion of tender documentation	17/02/2023
Publication of Find a Tender Service Notice	24/02/2023
Closing date for receipt of expressions of interest	28/03/2023
Completion of short-listing of applicants	05/05/2023
Invitation to tender	12/05/2023
ITT – Information Day	18/05/2023
Closing date for return of tenders	13/06/2023
Completion of evaluation of tenders	28/07/2023
Forward Plan (if Gateway 2 is key decision)	20/06/2023
DCRB Review Gateway 2: Contract award report	21/08/2023
Notification of forthcoming decision	05/09/2023
Approval of Gateway 2: Contract Award Report	12/09/2023
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	19/09/2023
Debrief Notice and Standstill Period	03/10/2023
Contract award	10/10/2023
Add to Contract Register	10/10/2023
Place award notice in Find a Tender Service	11/10/2023
Place award notice on Contracts Finder	11/10/2023
TUPE Consultation period	05/01/2024
Contract start	15/01/2024
Initial Contract completion date	14/01/2027

Activity	Complete by:
Contract completion date – if extension(s) exercised	14/01/2029

43. The reasons why the Gateway 2 report decision is delegated from cabinet to the Strategic Director of Housing and Modernisation is ensure that the four successful contractors are mobilised ready to commence work when the current contracts expire to ensure service continuity.

### **TUPE/Pensions implications**

44. The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) are likely to apply to this proposed procurement exercise. The appointment of potential suppliers for the existing general needs voids and temporary accommodation voids contracts could potentially amount to a service Provision Change under TUPE.
45. The extent of the application of TUPE and its implications will depend on a number of factors and will be considered during the proposed procurement exercise. These will be reported in the Gateway 2 report.
46. TUPE may also apply to any incumbent and new suppliers, if that is the outcome of the tenders, and in which case may result in the transfer of staff from one supplier to the other and/or their sub-contractors.
47. The procurement project timetable will need to include sufficient timelines to ensure that the council and any affected supplier(s) are able to comply with legal obligations that could potentially arise in respect of TUPE.
48. Existing directly employed staff within Southwark Repairs will be diverted to other repair work streams, such as day to day repairs, thus reducing the need for agency and back up contractors.

### **Development of the tender documentation**

49. The asset management procurement team will be responsible for the delivery of this procurement and a project board will be set up to provide governance. The form of contract to be used will be JCT Measured Term Contract 2016, which will be subject to amendment as directed by legal services. The contract documents, once awarded, will be passed to legal services for formal execution.
50. The tender documentation will consist of the council's bespoke specification and schedule of rates covering various work streams.

### **Advertising the contract**

51. The contracts will be advertised on the London Tenders Portal by way of an official notice that will be published on Find a Tender Service. The council will also publish a contract notice on the Contracts Finder website on the same day the Find a Tender Service notice is published.

52. The council will hold an information day at tender stage for those bidders shortlisted to tender.

## **Evaluation**

53. The PAS91 pre-qualification questionnaires returned will be evaluated by council officers. The selection process will be an evaluation of each bidder's economic and financial standing, technical knowledge, equalities, diversity and inclusion questions, accreditation, experience and its ability and capacity to deliver the full scope of work. It is estimated that up to 16 bidders, to be agreed by the project board, will be shortlisted and invited to tender. The shortlisted companies invited will be able to bid for the four contracts (Contracts A, B, C and D) but the evaluation methodology will set out that each contract will be awarded to separate companies and not to a single company.
54. Three evaluation panels, one reviewing price, one reviewing quality (including social value) and the other equalities, diversity and inclusion, will evaluate the Invitation to Tender for the four contracts.
55. A deviation from the council's usual 70:30 price quality weighting is proposed to better follow the Fairer Future Procurement Framework and capture the requirements for social value and highlight the importance of quality of works delivered to residents.
56. The Invitation to Tender evaluation will be undertaken by a tender evaluation panel (TEP). The selection criteria will be based on MEAT (Most Economically Advantageous Tender) criteria with a split of 55:42:3 price and social value/quality and social value/ equalities, diversity and inclusion.
57. Price evaluation for the contracts will be undertaken by asset management commercial officers and reviewed and signed off by housing finance. It is proposed to use a price model that ensures lowest un-economical bids do not receive the highest scores. To achieve this the 55% awarded for price will be split into two distinct sections as follows:
58. Lowest lump sum price, which is likely to account for 30%, where the tenderer with the lowest price is awarded the maximum percent and all other tenders are scored proportionally to the lowest price and 5% for social value quantitative.
59. Mean average price of tenders, which is likely to account for 20%, where the tenderer which scores closest to the mean average value of all compliant tenders will be awarded 20% with all other tenders scored proportionally to the mean average price.
60. Quality and social value qualitative evaluation (42%) will be undertaken by asset management officers. An evaluation methodology will include a number of method statement questions and will be developed by the project team and agreed with the project board.

61. Each method statement will be weighted and will include a minimum threshold criterion for key quality and financial implications, which if tenderers fail to meet allows the council the discretion to reject those tenderers from the tender process.
62. The social value qualitative will be evaluated against a number of selected Themes, Outcomes and Measures. Social value themes that will be considered are:
  - local people in employment
  - opportunities for disadvantaged people and
  - carbon reduction and safeguarding the natural environment.
63. The information submitted in response to these questions should demonstrate the tenderers' ability to fulfil the requirements that were outlined in the procurement documents.
64. Successful tenderers will be evaluated on their commitment to social value on an annual basis. Failure to fulfil these commitments will translate, in the first instance, to provide other benefits to the same value in the Themes, Outcomes and Measures and where this has not been achieved contractual remedies will be applied.
65. The equalities, diversity and inclusion evaluation will be undertaken by council officers reflecting 3% of the available tender evaluation.
66. The council will hold some clarification meetings prior to finalising the tenderers' price, quality, social value and equalities, diversity and inclusion scores which shall then undergo consensus scoring before being added together to produce a final score.
67. Tenderers with the highest combined price, quality, social value and equalities, diversity and inclusion score will then be ranked. The first-placed tenderer will be awarded Contract A, the second-placed tenderer will be awarded Contract B, the third-placed tenderer will be awarded Contract C and the fourth-placed tenderer will be awarded Contract D.

## **Community, equalities (including socio-economic) and health impacts**

### **Community impact statement**

68. The four contracts are borough wide and support the council's Fairer Future Promises for quality affordable homes and revitalised neighbourhoods.
69. All four contracts will be of a low impact to tenants, leaseholders and other stakeholders as these works will be done in internal void properties.

### **Equalities (including socio-economic) impact statement**

70. These contracts will ensure that properties remain vacant for as short a period as possible thus maximising the councils affordable, good quality homes which will benefit Southwark communities. It will assist the housing options available to older people and people with disabilities.

### **Health impact statement**

71. These contracts will provide a positive impact on health inequalities as void properties will be allocated to existing residents/those in housing need in the borough, residents who are living in overcrowded conditions, or unsuitable housing. In addition to this rent levels are set at council rent, that are lower than London Affordable rent levels and market rent levels making them genuinely affordable.
72. Health issues are further addressed by providing properties with mould and damp free homes by ensuring adequate and improved ventilation.

### **Climate change implications**

73. Void properties provide opportunities to undertake energy efficiency measures with little disruption. Specifications of work will consider the overall holistic approach to working towards carbon zero and comply with Building Regulations Part L that addresses the conservation of fuel and power as part of a drive towards a greener future.

### **Social Value considerations**

74. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the wellbeing of the local area can be secured. The details of how social value will be incorporated within the tender are set out in the following paragraphs.

### **Economic considerations**

75. As the council explores ways it can continue to deliver value for money, it is essential that it makes even better use of its resources to meet the needs of residents and businesses in the borough. Under the commitment of a “full employment borough” and as part of social value commitments these contracts will require contractors to employ at least one apprentice for every £1m spent.
76. Bidders will be required to provide costs and proposals for meeting the Fairer Future Procurement Framework requirements to ensure that this can be managed and valued as part of the contract management process.

### **Social considerations**

77. The Fairer Future Procurement Framework will be embedded into the procurement documentation and will be evaluated as part of the overall quality evaluation.
78. The successful contractors will be required to demonstrate that they operate an Equal Opportunities Policy, comply with the provisions of the Equalities Legislation, the Employment Relations Act 1999 (Blacklists) Regulations 2010 and the Prevent Duty under section 26 of the Counter-Terrorism and Security Act 2015.
79. The council is an officially accredited London Living Wage Employer and is committed to ensuring that, where appropriate, contractors and sub-contractors engaged by the council to provide works or services within Southwark or Greater London pay their staff at a minimum rate equivalent to the London Living Wage rate. For contracts performed outside London, all relevant staff should be paid at or above the real UK Living Wage. For these contracts, the quality improvements are expected to include a high calibre of operatives that will contribute to the delivery of the works on site and will provide best value for the council. It is therefore considered appropriate for the payment of London Living Wage to be required. The successful contractors will be expected to meet the London Living Wage requirements and contract conditions requiring the payment of London Living Wage which will be included in the tender documents. As part of the tender process, bidders will also be required to confirm how productivity will be improved by payment of London Living Wage. Following award, these quality improvements along with gender pay gap reviews will be monitored as part of the contract review process.
80. The successful contractors shall consider trade union recognition in line with the council's Fairer Future Procurement Framework.
81. The successful contractors will be registered and accredited with the Transport for London Fleet Operator Recognition Scheme. Fleet Operator Recognition Scheme helps fleet operators to measure and monitor performance, encompassing safety, fuel efficiency, vehicle emissions and improved operations, in order to promote fleet management best practice and reduce social / environmental impacts.
82. The successful contractors will need to demonstrate that they can meet the Mayors Good Working Standard foundation level or above and committed to the End Violence at Work Charter.

### **Environmental/Sustainability considerations**

83. The contracts will contain requirements to recycle existing material products.
84. The use of low emission vehicles and the planning of journeys will be encouraged within the contracts.

85. Chemical safe products approved by the water authorities will be used for rainwater and drainage works.

### **Plans for the monitoring and management of the contract**

86. The council's contract register publishes the details of all contracts over £5,000 in value to meet the obligations of the Local Government Transparency Code. The Report Author must ensure that all appropriate details of this procurement are added to the contract register via the eProcurement System.
87. The contracts will be managed by asset management and resident service officers within the Housing and Modernisation department.
88. Key Performance Indicators will be used to measure the successful contractors' performance. Social value commitments made by the four successful contractors will be monitored by the council's asset management division on a quarterly basis.
89. Officers will also produce annual performance reviews in line with the council's Contract Standing Orders
90. Asset management will review all applications for payment and monitor and administer defaults and recovery of costs for poor performance.
91. To ensure robust contract management arrangements are in place, officers will undertake audit site inspections to ensure that method statements are adhered to and works are compliant and delivered to a high standard.
92. Monthly progress meetings, to be attended by officers will be arranged and recorded to review performance and compliance.

### **Staffing/procurement implications**

93. There will be no impact on resident services staff as the existing division are already performing the contract management functions.
94. Staff and operatives within asset management's Southwark Repairs that work on voids will be directed to day to day repairs and maintenance in order to reduce back up contracting and reliance on agency.

### **Financial implications**

95. Southwark Repairs deficit figures for general needs voids from April 2019 to March 2020 was £2.3m. Originally Southwark Repairs was paid on a price per void to ensure the property met the required standard. This reduced to £1.9m for April 2020 to March 2021.
96. From April 2021 Southwark Repairs price per void was removed and it was paid on a schedule of rates basis for works ordered. The schedule of rates were priced as part of the in-house service level agreement. For 2021/2022 Southwark

Repairs was paid £6.88m for general needs voids and £2.60m for temporary accommodation voids giving a combined income value of £9.48m

97. For 2021/22 Southwark Repairs void staffing costs were £782k. Southwark Repairs sub-contracting costs for the same period were £4.4m for general needs voids and £1.6m for temporary accommodation voids giving a combined direct expenditure of £6.782.
98. The following budgets are available in the table below to cover the works that will be delivered by these contracts:

<b>Budget Holder</b>	<b>Revenue/ Capital</b>	<b>General Fund (GF)/ Housing Revenue Account (HRA)</b>	<b>Budget available per annum</b>
Asset management	Revenue	HRA	£5.60m
Asset management	Capital	HRA	£1.00m
Resident services (Temporary Accommodation)	Revenue	HRA	£1.87m
Resident services (Temporary Accommodation)	Revenue	GF	£0.13m
			<b>£8.60m</b>

99. The estimated contract annual values detailed in paragraph 1 are based on current available budgets and includes a contingency of £800k per contract per annum for increase demand in voids, subject to budget challenge approvals which will further be described in the Gateway 2 report. The breakdown of these estimated annual costs are as follows:

<b>Contract</b>	<b>Budget</b>	<b>Contingency*</b>	<b>Total</b>
A	£2.15m	£0.80m	£2.95m
B	£2.15m	£0.80m	£2.95m
C	£2.15m	£0.80m	£2.95m
D	£2.15m	£0.80m	£2.95m
<b>Totals</b>	<b>£8.60m</b>	<b>£3.20m</b>	<b>£11.80m</b>

\* Contingency subject to budget challenge approvals in the autumn of 2022.

100. Current and expected demand is exceeding the budget allocation and therefore will be subject to further adjustments depending on budgetary pressures and challenge meetings. This will be reconfirmed at the Gateway 2 contract award stage.
101. The contracts will allow for an annual Building Maintenance Indices uplift and this will need to be contained within the allocated budget.

### **Investment Implications**

102. Please see financial implications in paragraphs 95 to 101 above.

### **Legal implications**

103. Please see concurrent from the Director of Law and Governance.

### **Consultation**

104. Consultation with staff will be arranged via team meetings and Departmental Liaison Committee meetings.

### **Other Implications or issues**

105. None

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Finance and Governance (H&M 22/111)**

106. This report seeks approval from cabinet to undertake a restricted tender procedure for four voids and temporary accommodation voids contracts. The contracts will be over a period of three years (from September 2023) with the option to extend for another two years. The contracts will be allocated by geographical areas.

107. Cabinet notes that the annual costs of the four contracts amount to £11.8m (£35.4m over 3 years; £59m over 5 years) and including an annual contingency of £3.2m (£9.6m over 3 years; £16m over 5 years).

108. Cabinet notes that the contingency is subject to budget challenge approvals and the contracts will allow for an annual Building Maintenance Indices uplift.

109. Cabinet notes that the costs for the four contracts will be funded mainly from the Housing Revenue Account budgets with a small proportion funded (around 1.5%) from the General Fund.

110. Cabinet notes that the financial information is detailed in paragraphs 95 to 101.

### **Head of Procurement**

111. This report seeks approval from cabinet to undertake a restricted tender procedure for four voids and temporary accommodation voids contracts: Contract A - Bermondsey, Rotherhithe and Borough and Bankside at an estimated annual cost of £2.95m, Contract B - Peckham and Nunhead at an estimated annual cost of £2.95m, Contract C - Camberwell and Dulwich at an estimated annual cost of £2.95m and Contract D - Walworth and temporary accommodation Out of Southwark at an estimated annual cost of £2.95m for a

period of three years from September 2023 (£35.4m) with the option to extend up to a further two years (in increments at the council's sole discretion subject to performance) making an estimated total contract value of £59m.

112. Cabinet notes that the procurement is detailed in paragraphs 29 to 36 and 51 to 67, the risks are detailed in paragraph 37, social value commitments are detailed in paragraph 62, the impact on equalities, health and climate change are detailed in paragraphs 70 to 73, confirmation of the payment of London Living Wage is detailed in paragraph 79, management and monitoring of the contract is detailed in paragraphs 86 to 92.

### **Director of Law and Governance**

113. This report seeks approval of the cabinet to the procurement strategy for four voids and temporary accommodation voids contracts:

- Contract A - Bermondsey, Rotherhithe and Borough and Bankside at an estimated annual cost of £2.95m
- Contract B - Peckham and Nunhead at an estimated annual cost of £2.95m,
- Contract C - Camberwell and Dulwich at an estimated annual cost of £2.95m and;
- Contract D - Walworth and temporary accommodation Out of Southwark at an estimated annual cost of £2.95m.

for a period of three years from September 2023 (£35.4m) with the option to extend up to a further two years (in increments at the council's sole discretion subject to performance) making an estimated total contract value of £59m.

114. Cabinet is requested to note the procurement strategy in this report will result in bidders being required to bid as backup to each other on their tendered rates to ensure an efficient service delivery.
115. The nature and value of these works means that the full tendering requirements of the Public Contracts Regulations 2015 (PCR 2015) will apply. Paragraphs 34 to 36 of this report confirms that a restricted tendering procedure is proposed which will comply with the PCR 2015 and the council's Contract Standing Order (CSO) tendering requirements.
116. Cabinet is asked to delegate the contract award decisions for the four contracts to the Strategic Director of Housing and Modernisation for the reasons outlined in paragraph 43 of this report and in accordance with CSO 6.5.3.
117. Cabinet's attention is drawn to the Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010, which requires public bodies to have due regard, when making decisions, to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct, advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. Cabinet is specifically referred to the community, equalities (including socio-economic) and health

impacts at paragraphs 68 to 72 of this report setting out the consideration that has been given to equalities issues, which should be considered when approving the recommendation in this report.

### **Director of Exchequer (for housing contracts only)**

118. This long term agreement for voids repairs is primarily for repairs to the inside of tenanted properties. This work is not service chargeable to leaseholders and there is therefore no requirement for consultation with leaseholders under S20 of the Landlord and Tenant Act 1985. Occasionally repairs may be required as part of the void repairs that affect the communal areas and which could be service chargeable. In these circumstances the work will be separately ordered within an agreement that has been consulted on or competitive quotes will be invited.

### **BACKGROUND DOCUMENTS**

<b>Background Documents</b>	<b>Held At</b>	<b>Contact</b>
None		

### **APPENDICES**

<b>No</b>	<b>Title</b>
None	

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Darren Merrill, Council Homes and Homelessness	
<b>Lead Officer</b>	Dave Hodgson, Director of Asset Management	
<b>Report Author</b>	Christopher Gregory, Asset Management Procurement Officer	
<b>Version</b>	Final	
<b>Dated</b>	5 January 2023	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Governance	Yes	Yes
Director of Exchequer (for housing contracts only)	Yes	Yes
<b>Contract Review Boards</b>		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		5 January 2023

<b>Item No.</b> 14.	<b>Classification:</b> Open	<b>Date:</b> 17 January 2023	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Tustin Estate - Appropriation of Land for Planning Purposes	
<b>Ward:</b>		Old Kent Road	
<b>Cabinet Member:</b>		Councillor Darren Merrill, Council Homes and Homelessness	

**FOREWORD - COUNCILLOR DARREN MERRILL, CABINET MEMBER FOR COUNCIL HOMES AND HOMELESSNESS**

This is a technical document which gives the council the process to continue with the development of the much needed homes on the Tustin, this appropriation will allow the smooth running of the approved plans but does not remove the right to compensation to those that may be affected.

The new council homes will be let at council rents on lifetime council tenancies. After all of the replacement new homes reserved for current residents in the low rise blocks are filled, at least 50% of the new additional council homes will be reserved for residents in the Tustin Towers on the Estate who have an unmet housing need as set out in the council’s local lettings policy; thus ensuring that local residents directly benefit from the new council homes and maintain their local social, childcare and family support networks

**RECOMMENDATIONS**

That Cabinet:

1. Confirms that the land shown outlined on the plan at Appendix A known as Phase 1 of the Tustin Estate that is currently held for housing purposes, is no longer required for those purposes and approves the appropriation of the land to planning purposes to facilitate the carrying out of the development proposals for the area in accordance with section 226 of the Town and Country Planning Act 1990 and section 122(1) of the Local Government Act 1972.
2. Confirms that following completion of the appropriation at paragraph 1 the land shown outlined on the plan at Appendix A will no longer be required for planning purposes, and approves the appropriation of the land to housing purposes in accordance with section 9 of the Housing Act 1985 and section 122(1) of the Local Government Act 1972.

## **BACKGROUND INFORMATION**

3. Phase 1 of the Tustin Estate is situated in a predominantly residential area with a variety of retail and industrial businesses nearby on the Old Kent Road. The council holds the freehold interest in the land within its Housing Revenue Account.
4. This report recommends the council appropriates for planning purposes freehold land known as Phase 1 in its ownership. This will engage powers under section 203 of the Housing and Planning Act 2016 overriding third party rights in the land which are then converted to a claim for compensation.
5. The report further recommends the land be appropriated back to housing on the basis that this ultimately will be its use.
6. The council has used this statutory mechanism to secure several of its housing development projects.
7. Cabinet should also note that the council has commissioned a Rights of Light Analysis Report to assess the potential effects of the development on any rights of light to some neighbouring properties and businesses outside the Estate and to those properties within the Estate that will be retained. There are some restrictive covenants and rights of statutory providers on the Estate that would also be interfered with. The risk of injunction means that the council should consider the use of its statutory powers to ensure that the development proceeds.
8. The course of action is recommended on the basis it will facilitate delivery of a development with significant public benefit; in the form of a full planning application for Phase 1 comprising the demolition of Hillbeck Close, Ullswater House and garages at Manor Grove and the erection of four buildings at 2/3-storeys (D1 and D2), 5/9-storeys (C) and 7/13-storeys (G1) providing 167 homes (Class C3) with associated parking, public realm, open spaces, landscaping and ancillary infrastructure; and the refurbishment of properties at Manor Grove.
9. Phase 1 works therefore will affect residents of the Estate with the demolition of Hillbeck Close and Ullswater House and refurbishment of council homes at Manor Grove.
10. Demolition work commenced in September 2022 with a phased programme scheduled to run from September 2022 until early 2025.

### **Phase 1 Summary Plan**

- Hillbeck Close residents move in summer 2022
- Demolition of Hillbeck Close and Ullswater House
- Construction of Plots C, D and G1 providing 167 new council rent and shared equity homes

- Refurbishment of council homes at Manor Grove
  - Construction of Hillbeck Close extension and public realm in Manor Grove
  - Bowness, Kentmere and Heversham residents move to new Phase 1 homes in 2025
11. The new council homes will be let at council rents on lifetime council tenancies. After all of the replacement new homes reserved for current residents in the low rise blocks are filled, at least 50% of the new additional council homes will be reserved for residents in the Tustin Towers on the Estate who have an unmet housing need as set out in the council's local lettings policy; thus ensuring that local residents directly benefit from the new council homes and maintain their local social, childcare and family support networks.

### **KEY ISSUES FOR CONSIDERATION**

12. If the recommendations in this report are approved by Cabinet, the key impact will be that some third party owners benefitting from rights in the surrounding neighbourhood, and on the Tustin Estate that are interfered with by the development, will no longer be able to apply to court for an injunction to stop the development. These owners will instead have the right to claim compensation if their rights are interfered with by the development.
13. Appendix B sets out further details of the rationale behind the recommendations in this report. Cabinet should note that:
- a. The council owns the freehold of the land and it is now fully vacant.
  - b. The development of the land has full planning consent (reference number 22/AP/1221).
  - c. That the development behind the intention to appropriate for planning purposes will improve the economic, social and environmental well-being of the area.
  - d. That the appropriation will enable the development to proceed without interference from affected parties.
14. The course of action recommended is therefore proportionate and justified to secure proper planning of the area.
15. The report identifies a potential impact on rights of light on some properties in parts of Ormside Street, Old Kent Road, Manor Grove, Canterbury Industrial Estate and Ilderton Road. If the land is appropriated, owners, lessees or occupiers of any affected properties will be entitled to bring rights of light claims, but would not be able to obtain an injunction which could delay and even prevent the development from taking place.
16. Loss of daylight is subject to a legal test and compensation is assessed by way of established practice. Compensation is payable to residents (whether

by agreement by negotiation, or compulsion under s203 of the Housing and Planning Act 2016) who have their rights to light interfered with - but it is incumbent upon all affected parties to prove to what extent their rights have been interfered with, and the level of compensation that may be attainable in the circumstances. Affected parties have the fees of their professional adviser paid by the council.

### **Appropriation Notice**

17. The land which is subject to appropriation for planning purposes shown outlined on the plan at Appendix A is land and buildings at Ullswater House and Hillbeck Close, 2092.5m<sup>2</sup> in extent at Land and Garages at Manor Grove and 3799m<sup>2</sup> in extent at Land and Car Parking at Ilderton Road, Tustin Estate, Old Kent Road, London SE15 part of which is open space.
18. Before the council can appropriate land part of which is open space it must advertise its intention to do so by way of a public notice for two consecutive weeks in a local newspaper and it must consider any representations made as a result of the intention to appropriate. Public notices advertising the council's intention to appropriate the land appeared on the 10<sup>th</sup> and 17<sup>th</sup> November 2022 in editions of Southwark News.
19. The deadline for receipt of representations or objections was 4:00pm on the 1 December 2022.
20. Cabinet should note that the council did not receive any representations or objections by this date.

### **Appropriations**

21. The appropriation of land refers to the process whereby a council alters the purpose for which it holds land. Where land has been appropriated for planning purposes third party rights can be overridden. The beneficiaries of such rights can still claim compensation but cannot seek an injunction to delay or stop the development.
22. This gives the council the certainty that having commenced construction works a person with the benefit of a registered and unregistered right over land (there is no comprehensive register of third party rights) cannot apply to the court to have the development stopped. This is a very important tool in enabling development to proceed on urban sites.
23. Another approach for the council would be to either not appropriate the site or accept the risk of delay from injunction, or not appropriate and take out insurance against the cost of claims. Neither approach addresses the central issue of the risk of delay whilst an application to injunct is considered by a court – nor the risk an injunction might be successful and the development stopped.

24. Appropriation is considered to give a greater degree of certainty and is considered proportionate. The chief impact of this approach is that the owners of third party rights lose their ability to stop the development by injunction, but they retain the right to compensation.
25. The compensation a person affected by interference of a right may be entitled to, is based on the value of their properties before the right has been interfered with versus the value of the property with the interfered right; the diminution in value of the affected property. If agreement between the parties is not possible it will be determined by the Upper Tribunal (Lands Chamber). The onus is upon the claimant to prove a loss in value, and compensation only becomes payable once there is an actual interference with a right.
26. In this case it is recommended that the land outlined on the plan at Appendix A be appropriated from housing purposes to planning purposes. This will mitigate the risk of legal action to frustrate the scheme being delayed or completed. Thereafter it is recommended the land is appropriated to housing purposes as this is the most appropriate basis on which to hold the site.

### **Rationale for Recommendations**

27. The recommendation is required for two reasons:
  - a. To mitigate against the construction of new council housing being frustrated or delayed by legal injunction.
  - b. To deliver a current council Delivery Plan commitment.

### **Community Impact Statement**

28. The council Delivery Plan (see weblink at the end of this report) was launched in September 2022 and sets out the council's priorities and commitments to residents of Southwark until 2026. The recommendations herein further the commitment to deliver more quality, affordable homes and major improvements on the Tustin Estate.
29. The Equality Act 2010 requires the council in the exercise of its functions to have due regard to the need to:
  - a. eliminate discrimination;
  - b. advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
  - c. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
30. Relevant protected characteristics for the purposes of the Equality Act are:

- Age
  - Civil partnership
  - Disability
  - Gender reassignment
  - Pregnancy and maternity
  - Race
  - Religion or belief
  - Sex and sexual orientation.
31. In considering the recommendations herein the Cabinet must have due regard to the possible effects on any groups sharing a protected characteristic in order to discharge its public sector equality duty. This is an ongoing obligation.
32. If the recommendations set out are approved, the council will be able to proceed with the construction of the development comprising 167 quality, affordable homes. An Equalities Analysis for the project has been undertaken and we will continue to review the impact on groups of people with protected characteristics.

### **Health Impact Statement**

33. It is widely recognised poor quality housing has an adverse impact on the health of residents. Such effects may manifest in mental and/or physical health terms.
34. Whilst it is not yet known who will be accommodated in the new homes, they will ultimately allow existing residents from the Estate to be rehoused as secure tenants or shared equity, shared ownership or equity loan options via a dedicated Tustin Estate Local Lettings Policy, and to move into superior accommodation that should be beneficial to their health with a corresponding reduction in health service demands.

### **Climate Change Implications**

35. The Screening Opinion (Environmental Impact Assessment) for the development concluded the proposed development is unlikely to give rise to any significant environmental effects that would require the submission of an Environmental Statement.
36. The construction phase will generate some waste and measures to limit dust and impacts on air quality, which will be managed through a construction management plan and environmental protection procedures.
37. To offset the impact of the new construction, the council following commissioning of energy, flooding and overheating reports (available under planning documentation - see weblink at end of this report), has designed the new buildings to mitigate as far as reasonably possible the adverse climate change implications arising from the proposed construction. For

instance, the new scheme will be connected to the District Heating Network and the unilateral agreement states the scheme cannot be occupied until the development is connected to the District Heating Network or the carbon Green Fund Contribution has been paid to the council in full.

38. There are no identified impacts arising from appropriation.

### **Financial Implications**

39. The construction of the new homes and their associated works will have a significant cost and an approved budget exists for this. The budget will need to make provision for any compensation claims for diminution in value that may arise as a consequence of the interference with any rights.
40. Where land is appropriated from the Housing Revenue Account to the general fund, there is a transfer of debt between the accounts. When land is appropriated from general fund to the housing revenue account this debt transfer is reversed. As both appropriations will take place on the same day there will be no net transfer of debt and there are, therefore, no financial implications arising directly from the recommendations made in this report.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Director of Law and Governance**

41. The report recommends the appropriation of council owned land for planning purposes, and thereafter, the appropriation of that land for housing purposes.
42. A council holds land and property for a variety of statutory purposes in order to perform its functions. A council is authorised by virtue of section 122 of the Local Government Act 1972 ("the 1972 Act") to appropriate land within its ownership for any purpose for which it is authorised to acquire land by agreement, where it is no longer required for the purpose for which it is held immediately before the appropriation.
43. The land must already belong to the council. Paragraph 3 of the report confirms that the land to be appropriated is in the council's freehold ownership.
44. The land must be no longer required for the purpose for which it is currently held. The report confirms at paragraph 15 of Appendix B that the land is no longer required for housing purposes.
45. The purpose for which the council is appropriating the land must be authorised by statute. It is proposed that the land is held for planning purposes. This is a purpose which is authorised by statute. Section 246 of the Town and Country Planning Act 1990 ("TCPA 1990") defines such purposes as, inter alia, those for which can be acquired under ss226 or 227 of that Act. Section 227 provides that a council may acquire land by

agreement for any purposes for which it is authorised to acquire land compulsorily by s226 TCPA 1990.

46. The purposes for which a council can acquire land pursuant to s226 TCPA 1990 include purposes “which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated.” S226 also authorises the acquisition of land “... if the authority think that the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land.” In the case of either s226 or s227 the acquiring authority must be satisfied that whatever development proposals it has for the land in question these are likely to “contribute to the achievement of any one or more of the following objects – (a) the promotion or improvement of the economic well-being of their area; (b) the promotion or improvement of the social well-being of their area; (c) the promotion or improvement of the environmental well-being of their area.” The council’s plan to build new homes on the land, of which 157 are council homes for rent and 10 are shared equity, is capable of falling within all three categories.
47. Section 203 of the Housing and Planning Act 2016 came into force on 13 July 2016. This section contains a power to override easements and other rights, and it replaces s237 TCPA.

S203 says:

“(1) A person may carry out building or maintenance work to which this subsection applies even if it involves

(a) interfering with a relevant right or interest...

(2) Subsection (1) applies to building or maintenance work where –

(a) there is planning consent for the building or maintenance work,

(b) the work is carried out on land that has at any time on or after the day on which this section comes into force

(i) become vested in or acquired by a specified authority or

(ii) been appropriated by a local authority for planning purposes as defined by section 246(1) of the Town and Country Planning Act 1990 [*i.e. for purposes for which an authority can acquire land under ss226 and 227*]

(c) the authority could acquire the land compulsorily for the purposes of the building or maintenance work, and

(d) the building or maintenance work is for purposes related to the purposes for which the land was vested, acquired or appropriated as mentioned in paragraph (b).”

48. What this means is that where land has been appropriated for planning purposes building work may be carried out on land even if this interferes with rights or interests if there is planning consent for the building work; and the work must be for purposes related to the purposes for which the land was appropriated, in this case planning purposes. By s204 those third party rights are converted into an entitlement to compensation to be calculated in accordance with ss7 and 10 of the Compulsory Purchase Act 1965.
49. This report confirms that the work being done on the land will be done in accordance with planning permission. Once the land has been appropriated and s203 triggered, that work will be authorised even where it interferes with third party rights.
50. Following the appropriation of the land for planning purposes it is recommended that the land is appropriated for housing purposes, as the land is to be used for the provision of new housing. At that point the land will no longer be required for planning purposes and will be appropriated for housing purposes.

#### **Strategic Director of Finance and Governance (H&M 22/115)**

51. The Strategic Director of Finance and Governance notes the recommendation to appropriate land as described in order to facilitate the development of new council homes and environmental improvements on the Tustin Estate. This land appropriation is proposed to occur in such a way that it will have a neutral financial impact. This scheme forms part of the council's new homes direct delivery programme and any associated costs will be contained with the Housing Investment Programme. Further details in the closed report.

#### **BACKGROUND DOCUMENTS**

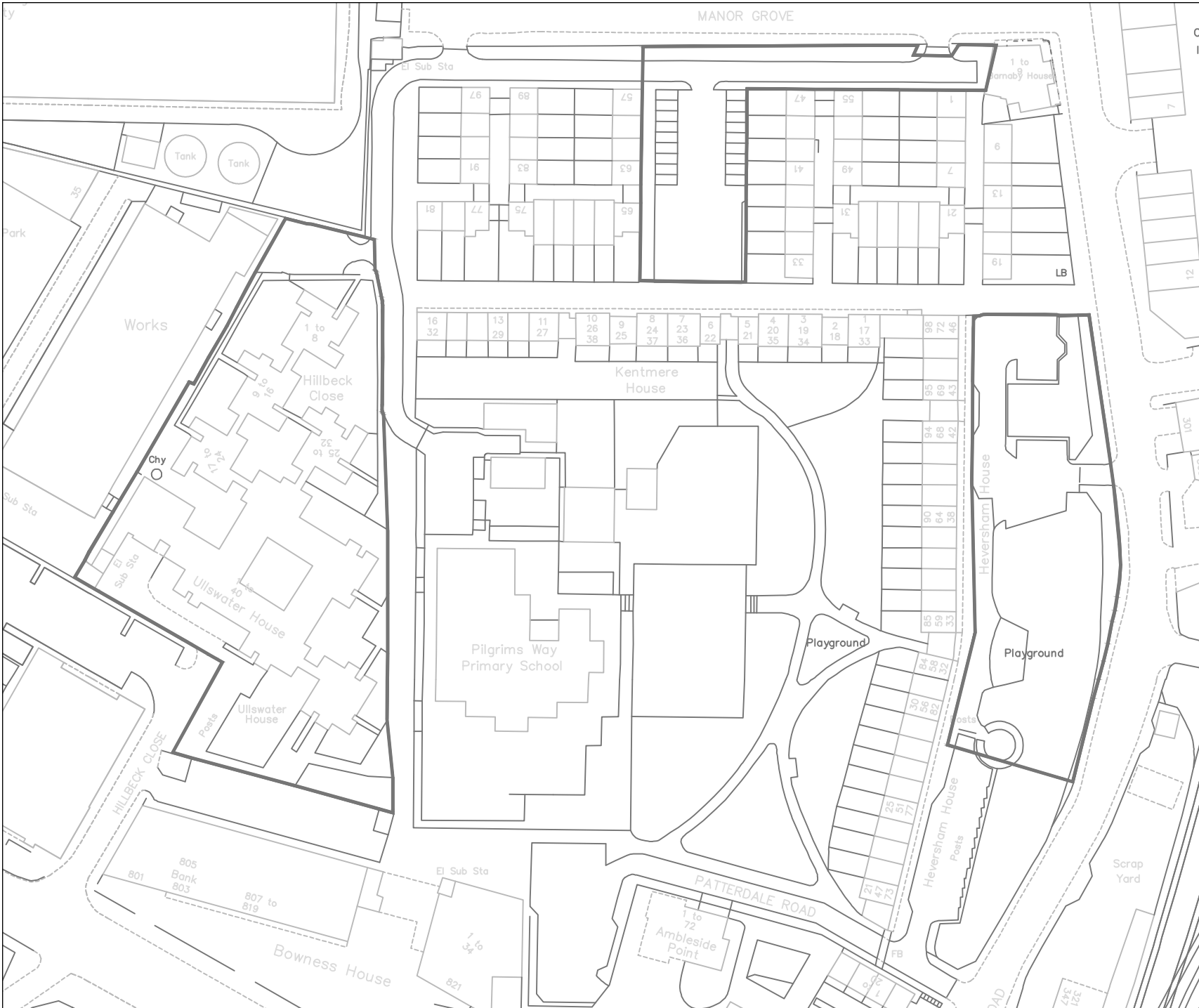
<b>Background Papers</b>	<b>Weblink</b>
council Delivery Plan 2022 - 2026	<a href="https://moderngov.southwark.gov.uk/documents/s108711/Appendix%201%20Council%20Delivery%20Plan.pdf">https://moderngov.southwark.gov.uk/documents/s108711/Appendix%201%20Council%20Delivery%20Plan.pdf</a>
Planning documentation – available at link by inserting application number 22/AP/1221.	<a href="https://planning.southwark.gov.uk/online-applications/search.do?action=simple&amp;searchType=Application">https://planning.southwark.gov.uk/online-applications/search.do?action=simple&amp;searchType=Application</a>

**APPENDICES**

<b>Appendix</b>	<b>Title</b>
Appendix A	Phase 1 - Appropriation Plan at Tustin Estate
Appendix B	Appropriation of Phase 1 Land at Tustin Estate, SE15

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Darren Merrill, Council Homes and Homelessness	
<b>Lead Officer</b>	Althea Loderick, Chief Executive	
<b>Report Author</b>	Marcus Mayne, Principal Surveyor, Sustainable Growth	
<b>Version</b>	Final	
<b>Dated</b>	5 January 2023	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Director of Law and Governance	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
<b>Cabinet Member</b>	Yes	
<b>Date final report sent to Constitutional Team</b>	5 January 2023	



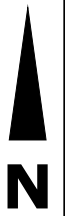
Reproduced from the Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationery Office © Crown copyright. Unauthorised reproduction infringes Crown copyright and may lead to prosecution or civil proceedings. (London Borough of Southwark / Licence No. LA086541).

TITLE. APPENDIX A  
TUSTIN ESTATE  
Phase 1 Appropriation  
plan

DRAWING No.  
LBS\_4124

DRAWN BY.  
MJMANKTELOW  
Property Division

DATE. 30/11/2022  
Original Scale - 1:1250  
Subject to variation  
when reproduced from  
an Adobe pdf source



**APPENDIX B****Appropriation of Phase 1 land at Tustin Estate, SE15**

**Appropriation of the land at Appendix A for purposes set out in section 226 of the Town and Country Planning Act 1990 and to purposes set out in section 9 of the Housing Act 1985.**

**Background to Appropriation**

1. Under section 122(1) of the Local Government Act 1972, the council may appropriate land for any purpose for which it is authorised to acquire land, when the land is no longer required for the purpose for which it is held.
2. Under section 226(1)(a) and 227 of the Town and Country Planning Act 1990, a council may acquire land if they think the acquisition will facilitate the carrying out of development, re-development or improvement on or in relation to the land. This includes development of the sort contemplated at Tustin Estate.
3. The power in section 226(1)(a) is subject to section (1A) of section 226. This provides that the acquiring authority must not exercise the power unless it considers the proposed development, redevelopment or improvement is likely to contribute to achieving the promotion or improvement of the economic, social or environmental well-being of the area for which the acquiring authority has responsibility.
4. There are clear economic, social and environmental benefits associated with the provision of new housing at Tustin Estate, namely providing people with quality, affordable accommodation. Better housing can also result in better educational attainment, a general improvement in wellbeing, and will provide employment and training opportunities from the construction works. Accordingly, the council may appropriate land for the purposes of the development proposals if that land is no longer required for the purposes for which it is held.
5. For the reasons set out below, the land shown on the plan at Appendix A is no longer required for its current purposes. The land can therefore be appropriated from its current use.
6. Where land has been appropriated for planning purposes, Section 203 of the Housing and Planning Act 2016) applies. This means that the erection, construction or carrying out of maintenance or any building or work on the land (by the council or a person deriving title from the council) is authorised, if it is done in accordance with the planning permission, notwithstanding that it interfered with third party rights, such as restrictive covenants and easements.

7. The effect of triggering section 203 is that third party rights are overridden and converted into a claim for compensation pursuant to section 204.
8. The level of compensation for interference with third party rights is assessed based on the loss in value of the claimant's property because of the interference. An important consequence of the operation of section 203 is that a claimant cannot secure an injunction to prevent the development from going ahead – their remedy is a claim for compensation.
9. Prior to developing land, it is usual practice to make prudent enquiries of what rights might exist over the land, this will involve inspecting the land to see if there are any obvious rights and checking land ownership information. As set out in the report, a rights of light report has been commissioned which provides details of the potential effect of the development on adjoining properties. However, some rights may not be apparent from inspection and historic ones may not always be recorded at the Land Registry. The application of the power to override rights contained in section 203 therefore mitigates this risk.
10. The right to claim compensation for interference with third party rights is enforced against the owner of the land, which in this case is the council.

#### **Rationale for Appropriating the land at Tustin Estate for Planning Purposes**

11. As configured now, the Phase 1 land at the Tustin Estate to be appropriated compromises 80 homes at Hillbeck House and Ullswater House, open land and garages at Manor Grove and car parking at Ilderton Road. Planning consent has been secured for the development outlined in the main report.
12. As discussed in the main report, there may be an adverse impact on the rights of light to nearby properties from the development. Appropriation will eliminate any risk of one or more property owners or occupiers applying to the court for an injunction. If an injunction is granted, the development will not be able to proceed.
13. In these circumstances, it is appropriate to utilise the powers of section 203 to overcome this risk and enable the much-needed new homes to be built.
14. As indicated above, in order to facilitate the consented redevelopment for new housing, it is now required to hold the land for planning purposes. When land has been appropriated for section 203 purposes, it will continue to benefit from its overriding provisions even when the land is no longer held for planning purposes.
15. The land shown at Appendix A is no longer required to be held for housing purposes and is now to be held for planning purposes in order to facilitate the consented housing development.

### **Rational for Appropriating the land at Tustin Estate back to Housing Purposes**

16. Once land is appropriated for planning purposes, it should be appropriated back to housing purposes, as this will be its ultimate use. The cleansing effect of section 203 means that it can be developed in confidence that the works will not be at risk of an application for an injunction to frustrate the development.
17. Section 9(1)(a) of the Housing Act 1985 states a local housing authority may provide housing accommodation by erecting houses on land required. It is therefore apt that following the section 203 appropriation the land is in accordance with section 122(1) of the Local Government Act 1972 appropriated for purposes within section 9(1)(a) of the Housing Act 1985.
18. The appropriation of the land whilst denying the beneficiaries of any third party rights over the land, the ability to frustrate the redevelopment of the land will not take away their ability to claim for compensation in respect of any diminution in the value of their land as a result of their rights being overridden.

<b>Item No.</b> 15.	<b>Classification:</b> Open	<b>Date:</b> 17 January 2023	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 3 – Variation Decision Contract for the Supply of Agency Workers	
<b>Ward(s) or groups affected:</b>		N/a	
<b>Cabinet Member:</b>		Councillor Stephanie Cryan, Communities, Equalities and Finance	

**FOREWORD: COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR COMMUNITIES, EQUALITIES AND FINANCE**

There are two reports at today’s Cabinet meeting regarding the council’s contract for the supply of agency workers. This Gateway 3 report seeks approval of a short extension to the council’s existing contract to provide sufficient time for a new procurement exercise to be undertaken. It is followed by a Gateway 1 report, which seeks approval to initiate that procurement exercise.

The council is committed to reducing its spend on agency workers and building a stable, highly-skilled permanent workforce. This is especially important given the financial pressures facing the council, which have become more significant over the last year as a result of economic turmoil and the cost of living crisis. A new agency worker reduction programme is planned, which will include targets for each directorate, enhanced scrutiny of spend on agency workers, and important initiatives to develop the talent within our permanent workforce and create more entry-level routes into professional careers at the council.

As a result of these actions, the number of agency workers we engage is expected to fall, which will in turn reduce the cost of both our existing agency worker contract and the new contract we plan to let. That being said, there will always be circumstances where the use of agency workers continues to be necessary and appropriate. Where this is the case, effective management of our agency worker contract – including regular reviews of how it is used across the council – will be essential to ensuring we achieve value for money from our agency worker spend.

**RECOMMENDATIONS**

That Cabinet:

1. Approves the extension of the council’s contract with Comensura for a period of up to nine months starting on 1 April 2023 at an estimated maximum value of £28.4m and including a three month break clause
2. Notes this extension is required to provide time for a new procurement exercise to be undertaken

3. Notes the large majority of contract spend is passed to agencies providing temporary workers and the fee payable to Comensura is less than 1% of the total contract value.

## **BACKGROUND INFORMATION**

4. In December 2017, the then Cabinet Member for Finance, Modernisation and Performance approved a call-off contract with Comensura Limited via a framework established by the Yorkshire Purchasing Organisation (YPO). This was for an initial contract period of three years starting on 1 April 2018 and ending on 31 March 2021.
5. In February 2021, Cabinet approved a one year extension of the contract until 31 March 2022 via a Gateway 3 report. Subsequently, the then Cabinet Member for Finance, Performance and Democracy approved a further one year extension of the contract until 31 March 2023 via another Gateway 3 report.
6. Under the terms of the contract, Comensura are not responsible for directly providing agency workers to the council; rather, they manage a supply chain of agencies who are able to provide temporary workers who meet the council's requirements.

## **KEY ISSUES FOR CONSIDERATION**

### **Key aspects of the proposed extension**

7. The estimated value of the contract awarded to Comensura in 2017 was £60m for a period of three years – ie. £20m per annum. However, actual contract spend has been higher than this estimate. Further details are provided in the financial implications at paragraphs 27 to 32. The estimated maximum cost of the proposed contract extension is £28.4m.
8. There are a number of reasons why contract spend has been higher than initially estimated. These include:
  - the engagement of additional agency workers to support the council's Covid-19 response in 20/21 and 21/22
  - ongoing challenges recruiting and retaining qualified social workers, occupational therapists and other professional staff
  - the need to respond rapidly to new regulatory requirements arising from the Building Safety Act 2022.

9. The council is committed to reducing its spend on agency workers and building a stable, highly-skilled permanent workforce. This reflects the council's value "spending money as if it were from our own pocket" since it is often more expensive to engage an agency worker rather than hire a permanent employee. As a result, officers are establishing an agency worker reduction programme, which will include:
- the development of dedicated action plans and targets for each directorate
  - enhanced scrutiny of all agency worker assignments that last longer than 12 months or cost more than £200 per day
  - a review of the council's approach to permanent recruitment, including a redesign of the council's employer brand and offer to employees
  - enhanced access to secondments and other similar development opportunities for existing employees
  - greater use of apprenticeships, internships and work placements to create entry-level routes into professional careers at the council.
10. The implementation of this programme is expected to deliver a material reduction to the council's spend on agency workers from 23/24 onwards. Nevertheless, there will always be circumstances where the use of agency workers continues to be necessary or appropriate – for example, where the council requires access to specialist skillsets for a defined period of time, or where there is a short-term peak in demand for a service.
11. While contract spend has been higher than initially estimated, Comensura have met the standards required by the council and there have been no significant performance issues.

### **Rationale for the proposed extension**

12. The council's contract with Comensura is due to expire on 31 March 2023. The proposal to extend the contract by up to nine months, including a three month break clause, is required to provide sufficient time for a new procurement exercise to be undertaken. The maximum duration of this extension includes some contingency in case there is any slippage with or challenge to the new procurement process. The inclusion of a break clause will allow the contract to be ended in advance of its maximum duration so long as the council provides Comensura with three months' notice.

### Future proposals for the service

13. In August 2022, an options appraisal was completed to assess the council's ongoing requirement for agency workers and the best approach to sourcing this service. The outcome of the options appraisal is addressed in a separate Gateway 1 report.
14. The anticipated timeline for a new procurement exercise to be undertaken is as follows:

Activity	Complete by:
Cabinet approval of a Gateway 1 report (proposed procurement strategy)	17 January 2023
Evaluation of tenders to be completed	22 February 2023
Approval of a Gateway 2 report (proposed contract award)	14 March 2023
End of scrutiny call-in period and notification that the Gateway 2 decision may be implemented	22 March 2023
Debrief notice and standstill period	3 April 2023
Contract award	3 April 2023
Service delivery commences	1 July 2023

### Alternative options considered

15. The primary alternative to extending the council's contract with Comensura is to run a new procurement exercise. However, it would not be possible to procure and transition to a new supplier by the contract end date of 31 March 2023.

### Identified risks to the proposed extension

16. The following risks have been identified and assessed:

Risk no.	Risk identified	Risk level	Mitigation
R1	Challenge to a further extension of the contract	Low/ Medium	The council will ensure the extension is in accordance with the terms of the YPO framework. YPO have confirmed that they do not object to this extension. The only reason for seeking an extension is to provide sufficient time for a new procurement exercise to be undertaken.

Risk no.	Risk identified	Risk level	Mitigation
R2	Supplier ceases to trade	Low	YPO regularly complete credit checks to ensure all framework suppliers, including Comensura, are on a sound financial footing. In addition, the council may choose to conduct further credit checks to provide additional assurance.

### **Contract management and monitoring**

17. The council has well-established arrangements in place to manage the performance of this contract, including ongoing review of management information, quarterly contract review meetings, and an annual review meeting with Comensura's managing director.
18. Annual performance reports are presented and considered in line with the requirements of the council's Contract Standing Orders.
19. Comensura have met the standards required by the contract and there have been no significant performance issues.

### **Community, equalities (including socio-economic) and health impacts**

20. Under section 149 of the Equality Act 2010, the council has a duty when exercising its functions to have due regard to:
  - the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010
  - the need to advance equality of opportunity between persons who share protected characteristics and those who do not
  - the need to foster good relations between those who have protected characteristics and those who do not.
21. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
22. The proposed extension of the council's contract with Comensura is not anticipated to adversely impact on any of the duties defined in the Equality Act 2010.

### **Climate change implications**

23. There are no climate change implications arising from the proposals set out in this report.

### **Social value considerations**

24. Under the Public Services (Social Value) Act 2012, before commencing a procurement process, the council is required to consider how wider economic, social and environmental benefits may be secured. The social value considerations associated with the proposed contract extension are set out at paragraphs 25 and 26 below.

### **Economic and social considerations**

25. The council's contract with Comensura has delivered tangible economic and social benefits, as follows:
- Comensura has established a successful partnership with Southwark Works, which enables residents who are looking for a job to access temporary opportunities at the council.
  - Comensura has partnered with agencies in its supply chain – notably, Venn Group – to deliver workshops on CV writing and interview skills to over 300 residents.
  - Every year, Comensura has supported at least 30 agency workers to convert to permanent roles at the council. In the last financial year, 21/22, a total of 100 agency workers were appointed to a permanent job.
  - All agency workers supplied to the council, and the provider's own employees, are paid at least the London Living Wage.
  - In the last year, Comensura has created two new apprenticeship opportunities.

### **Environmental considerations**

26. There are no significant environmental considerations arising from the proposals set out in this report.

### **Financial implications**

27. This report seeks the approval of Cabinet for a further nine month extension (with a three month break clause) to the council's existing five year contract (3 + 1 + 1 years) with Comensura based on existing terms and conditions and commencing on 1 April 2023.

28. Under the council's current arrangements, payments are made to Comensura on a weekly basis following receipt of an invoice, which comprises both the cost of agency workers and contractual fee elements (sums payable to Comensura and the charge collected by Comensura on behalf of the framework provider, YPO). The large majority of contract spend is passed to the agencies who are providing temporary workers to the council. The fee payable to Comensura is for their supply chain management and software support.
29. Payments made to Comensura since 1 April 2018 are set out in the table below, along with the estimated maximum spend that will be incurred as a result of the proposed contract extension.

<b>Year</b>	<b>Expenditure (£) (a)</b>
2018-19	22,815,947
2019-20	27,350,945
2020-21	30,846,181
<b>Total initial three year contract</b>	<b>81,013,073</b>
2021-22	34,040,334
2022-23 (b)	38,872,353
<b>Total contract spend to 31 March 2023</b>	<b>153,925,760</b>
April 23 – December 23 (c)	28,389,314
<b>Revised contract total including extension</b>	<b>182,315,074</b>

(a) *Excludes internal recharges*

(b) *Based on actuals to week 30 and projections for week 31 – 52*

(c) *Based on average cost per working day (Aug. 22 – Oct. 22) x working days within the extension period of up to nine months*

30. All costs incurred during the contract period will be met from existing business unit resources in line with current arrangements.
31. The council expects to reduce its spend on agency workers and officers are establishing an agency worker reduction programme, which will include the development of dedicated action plans and targets for each directorate.
32. There are no capital implications arising from the proposals in this report.

### **Legal implications**

33. Refer to the concurrent provided by the Director of Law and Governance at paragraphs 38 to 43.

## **Consultation**

34. There is no requirement to consult on the proposals in this report.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Head of Procurement**

35. This report seeks approval from Cabinet to vary the council's contract with Comensura for a period of up to nine months starting on 1 April 2023 at an estimated maximum value of £28.4m and including a three month break clause. The maximum total spend through the contract is estimated to be £182.3m.
36. Cabinet should note the reasons for the variation are addressed at paragraph 12, the future of the service is addressed at paragraphs 13 and 14, the risks are addressed at paragraph 16, management and monitoring of the contract is addressed at paragraphs 17 to 19, the impact on equalities, health and climate change is addressed at paragraphs 20 to 23, and social value is addressed at paragraphs 24 to 26.
37. All agency workers supplied to the council as part of this contract, and the provider's own employees, are paid at least the London Living Wage.

### **Director of Law and Governance**

38. This report seeks Cabinet approval to a variation of the agency worker contract which is being performed by Comensura Limited. Paragraphs 7 to 12 of this report set out the key aspects of the variation and the reasons why an extension is required.
39. Regulation 72 of the Public Contract Regulations 2015 (PCR 2015) permits modification to be made to contracts during their term in certain circumstances. This includes at regulation 72(1)(e) where the modification, irrespective of its value, is not substantial within the meaning of regulation 72(8).
40. The proposed modification of the council's agency worker contract is not considered substantial within the meaning of regulation 72(8) because the modification would not:
- render the contract materially different in character from the one initially concluded
  - extend the scope of the contract considerably
  - have allowed other potential suppliers to participate or be selected or another tender to be accepted

41. Having considered the circumstances noted at regulation 72(8) for modifications which are considered substantial, it is considered that the agency worker contract can be modified under this provision.
42. Cabinet is advised that when relying on any grounds for exemption from the requirements of the PCR 2015, there is a potential risk of challenge on the basis that the council does not have sufficient grounds to justify extending the contract further. However, given that the modification is not substantial within the meaning of regulation 72(8), coupled with the fact that the council is in the process of re-tendering its agency worker contract as highlighted in the body of this report, it is considered that the risk of challenge is manageable.
43. The council's Contract Standing Order 2.3 requires that no steps are taken to vary a contract unless the expenditure involved has been included in approved revenue or capital estimates, or is otherwise approved by the council. Paragraph 30 of this report confirms how the proposed additional expenditure will be resourced.

**Strategic Director of Finance and Governance (FC22/050)**

44. This report requests approval from Cabinet for the extension of the council's contract with Comensura for a period of up to nine months starting on 1 April 2023 at an estimated maximum value of £28.4m and including a three month break clause. Full details are contained within the main body of the report.
45. The financial implications (paragraphs 27 to 32) provide details of the estimated value of the contract extension. The Strategic Director of Finance and Governance notes that the cost of the contract extension will be met from existing business unit resources in line with current arrangements.
46. Staffing and any other costs associated with the proposals in this report will be contained within existing departmental revenue budgets.

## BACKGROUND DOCUMENTS

Background Document	Held by and Contact
Gateway 2 – Contract Award: Contract for the Supply of Agency Workers (18 December 2017)	Southwark Council Ben Plant <a href="mailto:ben.plant@southwark.gov.uk">ben.plant@southwark.gov.uk</a>
<b>Link:</b> <a href="https://moderngov.southwark.gov.uk/documents/s66999/Report%20Gateway%20%20Contract%20award%20approval%20-%20managed%20service%20provider%20for%20agency%20staff.pdf">https://moderngov.southwark.gov.uk/documents/s66999/Report%20Gateway%20%20Contract%20award%20approval%20-%20managed%20service%20provider%20for%20agency%20staff.pdf</a>	
Gateway 3 – Variation Decision: Contract for the Supply of Agency Workers (2 February 2021)	Southwark Council Ben Plant <a href="mailto:ben.plant@southwark.gov.uk">ben.plant@southwark.gov.uk</a>
<b>Link:</b> <a href="https://moderngov.southwark.gov.uk/documents/s93374/Report%20Gateway%203%20-%20Variation%20Decision%20Extension%20of%20the%20Agency%20Worker%20contract.pdf">https://moderngov.southwark.gov.uk/documents/s93374/Report%20Gateway%203%20-%20Variation%20Decision%20Extension%20of%20the%20Agency%20Worker%20contract.pdf</a>	
Gateway 3 – Variation Decision: Contract for the Supply of agency Workers (1 March 2022)	Southwark Council Ben Plant <a href="mailto:ben.plant@southwark.gov.uk">ben.plant@southwark.gov.uk</a>
<b>Link:</b> <a href="https://moderngov.southwark.gov.uk/documents/s105702/Report%20Gateway%203%20-%20Extension%20of%20the%20Agency%20Worker%20contract.pdf">https://moderngov.southwark.gov.uk/documents/s105702/Report%20Gateway%203%20-%20Extension%20of%20the%20Agency%20Worker%20contract.pdf</a>	

## APPENDICES

No.	Title
None	

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Stephanie Cryan, Communities, Equalities and Finance	
<b>Lead Officer</b>	Althea Loderick, Chief Executive	
<b>Report Author</b>	Ben Plant, Director of HR and Organisational Development	
<b>Version</b>	Final	
<b>Dated</b>	6 January 2023	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Head of Procurement	Yes	Yes
Director of Law and Governance	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
<b>Contract Review Boards</b>		
Directorate Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	6 January 2023	

<b>Item No.</b> 16.	<b>Classification:</b> Open	<b>Date:</b> 17 January 2023	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Gateway 1 – Procurement Strategy Approval: Contract for the Supply of Agency Workers	
<b>Ward(s) or groups affected:</b>		N/a	
<b>Cabinet Member:</b>		Councillor Stephanie Cryan, Communities, Equalities and Finance	

### **FOREWORD - COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR COMMUNITIES, EQUALITIES AND FINANCE**

There are two reports at today's Cabinet meeting regarding the council's contract for the supply of agency workers. This Gateway 1 report seeks approval to commence the procurement process for a new agency worker contract. Elsewhere on the agenda is a Gateway 3 report, which seeks approval to a short extension of our existing contract while this procurement process takes place.

The council is committed to reducing its spend on agency workers and building a stable, highly-skilled permanent workforce. This is especially important given the financial pressures facing the council, which have become more significant over the last year as a result of economic turmoil and the cost of living crisis. A new agency worker reduction programme is planned, which will include targets for each directorate, enhanced scrutiny of spend on agency workers, and important initiatives to develop the talent within our permanent workforce and create more entry-level routes into professional careers at the council.

As a result of these actions, the number of agency workers we engage is expected to fall, which will in turn reduce the cost of the new contract proposed in this report. That being said, there will always be circumstances where the use of agency workers continues to be necessary and appropriate – for example, where the council requires access to specialist skillsets for a defined period of time, or where there is a short-term peak in demand for a service. The procurement strategy outlined in this report has been designed to ensure the council selects a provider who can meet our core requirement – the effective supply of agency workers – while offering competitive market rates that represent value for money and, critically, delivering their service in line with the council's social value expectations.

We want to encourage greater use of local recruitment agencies, including those that are Black, Asian or Minority Ethnic led. In addition, our incumbent supplier has supported the delivery of employment and training programmes, and also developed a successful relationship with Southwark Works, enabling residents who are looking for a job to access temporary opportunities at the council. The specification we publish to support this new procurement process will include a

clear requirement to both maintain these aspects of the existing service and, importantly, develop them further so we continue to maximise the social value that can be achieved through the council's agency worker spend.

## **RECOMMENDATIONS**

That Cabinet:

1. Approves the proposal to let a new contract for the supply of agency workers via Lot 1 of the Eastern Shires Purchasing Organisation (ESPO) framework Managed Services for Temporary Agency Resources (MSTAR3) for a period of three years with the option to extend for up to two years in one year increments, making a total estimated maximum contract value of £190.5m inclusive of the extensions
2. Notes the large majority of contract spend will be passed to agencies providing temporary workers and the fee payable to the successful supplier is expected to be 1% or less of the total contract value
3. Delegates authority to the Chief Executive to approve the contract award to the successful supplier in consultation with the Cabinet Member for Communities, Equalities and Finance

## **BACKGROUND INFORMATION**

4. In December 2017, the then Cabinet Member for Finance, Modernisation and Performance approved a call-off contract with Comensura Limited via a framework established by the Yorkshire Purchasing Organisation (YPO). This was for an initial contract period of three years starting on 1 April 2018 and ending on 31 March 2021.
5. In February 2021, Cabinet approved a one year extension of the contract until 31 March 2022 via a Gateway 3 report. Subsequently, the then Cabinet Member for Finance, Performance and Democracy approved a further one year extension of the contract until 31 March 2023 via another Gateway 3 report.
6. A Gateway 3 report recommending an additional extension for a maximum period of nine months will be put before Cabinet on 17 January 2023. The purpose of this extension is to provide sufficient time to let a new contract in line with the procurement strategy outlined in this report.
7. Under the terms of the existing contract, Comensura are not responsible for directly providing agency workers to the council; rather, they manage a supply chain of agencies who are able to provide temporary workers who meet the council's requirements.

## Summary of the business case/justification for the procurement

8. The council is committed to reducing its spend on agency workers and building a stable, highly-skilled permanent workforce. This reflects the council's value "spending money as if it were from our own pocket" since it is often more expensive to engage an agency worker rather than hire a permanent employee. As a result, officers are establishing an agency worker reduction programme, which will include:
- the development of dedicated action plans and targets for each directorate
  - enhanced scrutiny of all agency worker assignments that last longer than 12 months or cost more than £200 per day
  - a review of the council's approach to permanent recruitment, including a redesign of the council's employer brand and offer to employees
  - enhanced access to secondments and other similar development opportunities for existing employees
  - greater use of apprenticeships, internships and work placements to create entry-level routes into professional careers at the council.
9. The implementation of this programme is expected to deliver a material reduction to the council's spend on agency workers from 23/24 onwards. Nevertheless, there will always be circumstances where the use of agency workers continues to be necessary or appropriate – for example, where the council requires access to specialist skillsets for a defined period of time, or where there is a short-term peak in demand for a service.

## Market considerations

10. Most local authorities use a managed service provider (MSP) to supply the agency workers they require. These providers are typically procured via framework agreements established by professional buying groups, most notably the Eastern Shires Purchasing Organisation (ESPO) or the Yorkshire Purchasing Organisation (YPO).
11. Most MSPs operate one of the following two business models:
- Neutral vendor: The MSP does not directly provide agency workers; rather they manage a supply chain of agencies on the council's behalf. This is the model that applies to the council's existing contract with Comensura.
  - Master vendor: The MSP directly provides agency workers to the council; they may also manage a supply chain for the purpose of sourcing agency workers they cannot provide directly.

12. There are a number of providers operating neutral or master vendor business models, or both, who are able to meet the council's requirements. These providers are all accessible via frameworks.

## KEY ISSUES FOR CONSIDERATION

### Options for procurement route including procurement approach

13. In August 2022, an options appraisal was completed to assess the council's ongoing requirement for agency workers and the best approach to sourcing this service. The following options were considered:

Option	Summary appraisal
1. Do nothing	This is not a viable option. While the council is committed to reducing its spend on agency workers, there will always be circumstances where the use of agency workers continues to be necessary or appropriate – for example, where the council requires access to specialist skillsets for a defined period of time, or where there is a short-term peak in demand for a service.
2. Establish an in-house agency	This is not a viable option. The council does not have the necessary status within the market to operate an in-house agency and attract all of the candidates who are needed to meet the council's requirements. The cost of establishing an in-house agency is estimated at approximately £400,000 per annum, which exceeds the estimated fee payable to an MSP. Even if an in-house agency was established, it is highly likely that it would also be necessary to establish a supply chain for the purpose of sourcing agency workers the council could not attract directly.
3. Competitive tender	This is a viable option. However, it is unlikely to deliver a better outcome than use of a framework established by a professional buying organisation.
4. Use of a framework: direct award to Comensura	This is a viable option. The council could make a direct award to its existing provider, Comensura, using either an ESPO or YPO framework. However, the council would forego the opportunity to assess the current market and seek to achieve savings on the cost of the existing contract.

Option	Summary appraisal
5. Use of a framework: further competition via ESPO	<p>This is a viable option. The council could run a further competition via the ESPO framework Managed Services for Temporary Agency Resources (MSTAR3). This agreement is commonly used by London councils. Lot 1 of the framework includes:</p> <ul style="list-style-type: none"> <li>• ten suppliers who operate a neutral vendor business model</li> <li>• ten suppliers who operate a master vendor business model</li> <li>• six suppliers who operate both business models</li> </ul> <p>The large number of London councils using this framework creates opportunity for collaboration with other boroughs, which could generate improved service delivery and/or financial benefits.</p>
6. Use of a framework: further competition via YPO	<p>This is a viable option. The council could run a further competition via the YPO framework Managing Temporary Recruitment for Local Authorities. This agreement is used by five London councils. Lot 1 of the framework includes fifteen suppliers who operate a mixture of neutral and master vendor business models. However, the limited use of this framework within London means it does not present the same opportunities for collaboration as the ESPO agreement.</p>
7. Use of a framework: direct award via London Collaboration call-off from the ESPO agreement	<p>This is a viable option. A collaboration of London councils led by Havering has run a further competition via the ESPO MSTAR3 agreement. Two suppliers were procured:</p> <ul style="list-style-type: none"> <li>• neutral vendor business model: Matrix SCM</li> <li>• master vendor business model: Adecco</li> </ul> <p>However, these providers are only available on an “off the shelf” basis – in other words, the council would have to contract with either provider using the specification developed by Havering; it would not be possible for the council to let a contract on the basis of its own specification.</p>

14. As a result of the options appraisal, the recommended approach is option 5: a further competition via the ESPO MSTAR3 framework agreement. This option is preferred because it:

- allows the council to run a competitive procurement process
- creates opportunity to collaborate with other London councils

- enables the council to let a contract on the basis of its own specification

15. None of the other options provide all three of these benefits.

### **Proposed procurement route**

16. It is proposed to run a further competition via Lot 1 of the ESPO MSTAR3 framework agreement. All of the suppliers on this lot will be invited to participate in the further competition. This includes suppliers who operate master and neutral vendor business models, and both. Suppliers will be assessed against a specification using method statements focused on quality of service delivery and qualitative questions focused on price.
17. The MSTAR3 framework went live on 11 April 2019 and is due to expire on 10 April 2023. The terms of the agreement allow local authorities to call-off from the framework for up to four years. A call-off contract may be let any time up until the date the MSTAR3 framework expires. ESPO has confirmed that so long as a contract is signed by 10 April 2023, service delivery may commence at a later date.
18. MSTAR3 was established in line with the Public Contract Regulations 2015 and procured via the restricted procedure.
19. The steps that will be taken to select a successful provider are as follows:
- development of a specification, pricing documents and an evaluation matrix, which will be organised on the basis of 51% quality, 34% price and 15% social value
  - publication of documentation and invitation for providers to bid
  - evaluation of bids
  - contract award
  - transition to commencement of services via the new contract
20. Under the terms of the MSTAR3 framework, there is no requirement to award a contract if all bids fail to meet the council's threshold for price or quality, although this outcome is considered unlikely: see the risk table at paragraph 21.

### **Identified risks for the procurement**

21. The following risks have been identified and assessed:

Risk no.	Risk identified	Risk level	Mitigation
R1	Challenge to the procurement outcome	Low	The council will adhere to the requirements of the MSTAR3 framework.
R2	Inadequate quality of submissions	Low	ESPO has completed robust due diligence on all of the providers included on the MSTAR3 framework.
R3	Procurement process is delayed	Low	The council is robustly project managing the procurement process. In addition, an extension to the council's existing contract with Comensura will create some contingency in case there is any slippage in the process.
R4	Supplier ceases to trade	Low	ESPO regularly complete credit checks to ensure all MSTAR3 suppliers remain on a sound financial footing. In addition, the council may choose to conduct further checks to provide additional assurance.
R5	Contract award is delayed beyond 10 April 2023	Medium	Under the terms of the MSTAR3 agreement, the call-off contract must be signed by 10 April 2023 although service delivery may commence at a later date. The procurement project plan (set out at paragraph 26) includes a target date of 3 April 2023 for completing the contract award. The call-off contract has already been reviewed by the council's legal contracts team.

### Key/Non-key decision

22. This report represents a key decision because the proposed contract value exceeds £500,000. In addition, the council's protocol on key decisions states that agreement to commence a strategic procurement should always be treated as a key decision.

### Policy framework implications

23. The council's workforce – both permanent and temporary – plays a critical role in delivering essential public services and enabling the achievement of priorities and commitments in the Council Delivery Plan.

24. Over the period of this contract, the council expects to achieve a material reduction in its annual spend on agency workers as a result of implementing a comprehensive agency worker reduction programme. This reflects the council's value "spending money as if it were from our own pocket" since it is often more expensive to engage an agency worker rather than hire a permanent employee.
25. Nevertheless, there will always be circumstances where the use of agency workers continues to be necessary or appropriate – for example, where the council requires access to specialist skillsets for a defined period of time, or where there is a short-term peak in demand for a service.

### Procurement project plan

26. Key milestones in the procurement of this contract are as follows:

Activity	Complete by:
Gateway 1 decision (proposed procurement strategy) entered on the Forward Plan	30 November 2022
Gateway 1 proposal considered by the Directorate Contract Review Board	30 November 2022
Gateway 1 proposal considered by the Corporate Contract Review Board	8 December 2022
Cabinet Member briefed on Gateway 1 proposal	20 December 2022
Notification of forthcoming Gateway 1 decision published	1 December 2022
Approval of Gateway 1 report	17 January 2023
Completion of tender documentation	17 January 2023
Closing date for return of tenders	7 February 2023
Completion of any clarification meetings, presentations and evaluation interviews	N/A – none planned
Completion of evaluation of tenders	22 February 2023
Gateway 2 decision (proposed procurement strategy) entered on the Forward Plan	30 November 2022
Gateway 2 proposal considered by the Directorate Contract Review Board	27 February 2023
Gateway 2 proposal considered by the Corporate Contract Review Board	2 March 2023
Notification of forthcoming Gateway 2 decision published	1 December 2022
Approval of Gateway 2 report	14 March 2023

<b>Activity</b>	<b>Complete by:</b>
End of scrutiny call-in period and notification that Gateway 2 decision may be implemented	22 March 2023
Debrief notice and standstill period	3 April 2023
Contract award	3 April 2023
Addition of contract to the council's contract register	3 April 2023
TUPE consultation to commence, if required (see paragraphs 27 and 28)	3 April 2023
Award notice placed on Find a Tender service	10 April 2023
Award notice placed on Contracts Finder service	10 April 2023
Service delivery commences	1 July 2023
Initial contract completion date	3 April 2026
Contract complete date if extension(s) exercised	3 April 2027 or 3 April 2028

### **TUPE/Pension implications**

27. It is possible that the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) may apply should there be a change in service provider as a result of this procurement. Appropriate due diligence will be conducted before the procurement process commences. Suppliers will be advised of the outcome of this due diligence in the council's tender documentation.
28. There are no TUPE implications for the council as an employer.

### **Development of the tender documentation**

29. The HR service will lead the development of the council's tender documentation, drawing on input from stakeholders across the council. This documentation will reflect the council's specific requirements for the service in addition to the core specification that is already in place as part of the MSTAR3 framework agreement.
30. The MSTAR3 framework includes pre-determined terms and conditions, accepted by each provider on the framework, which may be amended to reflect the specific requirements of the council.

### **Advertising the contract**

31. It is not necessary to advertise the contract: this was done by ESPO when the framework was initially established. In line with the requirements of the framework, every provider on Lot 1 will be invited to submit a bid.

## **Evaluation**

32. Providers will be evaluated on the basis of 51% quality, 34% price and 15% social value. The timely, high quality supply of agency workers is essential to the council: slow or poor quality supply could have an adverse and immediate impact on the delivery of essential services. Providers on the MSTAR3 framework have already had to demonstrate competitive pricing to secure their place on the framework. However, the council's further competition may drive down price further.
33. An evaluation matrix will be developed to assess each bid against the council's specification. The evaluation process will be undertaken by a panel of internal stakeholders including both strategic and operational managers.

## **Community, equalities (including socio-economic) and health impacts**

34. Under section 149 of the Equality Act 2010, the council has a duty when exercising its functions to have due regard to:
  - the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010
  - the need to advance equality of opportunity between persons who share protected characteristics and those who do not
  - the need to foster good relations between those who have protected characteristics and those who do not
35. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
36. The proposal to let a new contract for the supply of agency workers is not anticipated to adversely impact on any of the duties defined in the Equality Act 2010.

## **Health implications**

37. There are no significant health implications arising from the proposals set out in this report.

## **Climate change implications**

38. There are no significant climate change implications arising from the proposals set out in this report.

**Social value considerations**

39. Before commencing a procurement process, the council is required by the Public Services (Social Value) Act 2012 to consider how wider economic, social and environmental benefits may be secured. The social value considerations associated with the proposed procurement exercise are set out at paragraphs 40 and 41.

**Economic and social considerations**

40. The council's incumbent provider has supported the delivery of employment and training programmes, and developed a successful partnership with Southwark Works, enabling residents who are looking for a job to access temporary opportunities at the council. The specification for this new contract will include a clear requirement to maintain and build on these important aspects of the existing service. In addition, the provider will be required to ensure that all agency workers supplied to the council, and the provider's own employees, are always paid at least the London Living Wage.

**Environmental and sustainability considerations**

41. There are no significant environmental considerations arising from the proposed procurement exercise.

**Contract management and monitoring**

42. The council has well-established arrangements in place to manage the performance of this contract. The approach to managing the existing provider includes ongoing review of management information, quarterly contract review meetings, and an annual review meeting with the provider's managing director.
43. Annual performance reports will be presented and considered in line with the requirements of the council's Contract Standing Orders.

**Staffing/procurement implications**

44. This procurement exercise will be managed within existing resources.

**Financial implications**

45. This report seeks Cabinet approval of the proposed procurement strategy outlined in the body of the report.
46. The maximum value of the initial three year contract, with service delivery commencing on 1 July 2023, equates to an estimated £114.3m based on the council's existing use of agency workers. If the contract is extended for a further two years, the maximum value of the contract will increase to an

estimated £190.5m over the total five year period. Further information is provided in the table below.

<b>Year</b>	<b>Expenditure (£m) (a) (b)</b>
2023-24 (July 23 – March 24)	29.0
2024-25	38.1
2025-26	38.1
2026-27 (April – June 26)	9.1
<b>Total initial three year contract</b>	<b>114.3</b>
2026-27 (July 26 – March 27)	29.0
2027-28	38.1
2028-29 (April – June 28)	9.1
<b>Revised contract total including extension</b>	<b>190.5</b>

(a) *Excludes internal recharges*

(b) *Based on average cost per working day (Aug. 22 – Oct. 22) x working days within the contract period*

47. While an estimated maximum contract value is set out above, it should be noted that:
- There is no minimum contract value.
  - Costs are dependent on demand and business units' usage.
  - All costs incurred during the contract period will be met from existing business unit resources in line with current arrangements.
48. It is anticipated that under the MSTAR3 framework, payment arrangements would remain unchanged from those currently in effect, which are:
- Payments are made to the managed service provider (MSP) on a weekly basis following receipt of an invoice, which comprises the cost of agency workers, a contractual fee element payable to the MSP, and the charge collected by the MSP on behalf of the framework provider.
  - All costs are charged to departments with the addition of a 10% internal charge.
49. There are no capital implications arising from the proposals in this report.

## **Legal implications**

50. Refer to the concurrent provided by the Director of Law and Governance at paragraphs 54 to 59.

## **Consultation**

51. There is no requirement to consult on the proposals set out in this report.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Head of Procurement**

52. This report seeks approval from Cabinet to procure a contract for the supply of agency workers using Lot 1 of the ESPO framework Managed Services for Temporary Agency Resources (MSTAR3), which is allowable under the Public Contract Regulations 2015 and the council's Contract Standing Orders. The procurement is for a period of three years with the option to extend by a further two years in one year increments. The estimated maximum contract value including extensions is £190.5m. The majority of this spend will be passed to agencies providing temporary workers and the fee payable to the successful supplier is expected to be 1% or less of the total contract value.
53. Cabinet should note the procurement route is addressed at paragraphs 13 to 20 and 29 to 31, the risks are addressed at paragraph 21, the impact on equalities, health and climate change are addressed at paragraphs 34 to 38, confirmation of social value and payment of the London Living Wage is addressed at paragraphs 40 and 41, and the management and monitoring of the contract is addressed at paragraphs 42 and 43.

### **Director of Law and Governance**

54. This report seeks Cabinet approval to the use of the ESPO framework Managed Services for Temporary Agency Resources (MSTAR3) for a three year contract with the option to extend by a further two years in one year increments.
55. Cabinet is requested to note that while the total estimated maximum value of the contract is £190.5m, the majority of the contract spend will be passed to agencies providing temporary workers and the fee payable to the successful supplier is expected to be 1% or less of the total contract value.
56. This report also seeks Cabinet approval to delegate the Gateway 2 contract award decision to the Chief Executive in consultation with the Cabinet Member for Communities, Equalities and Finance.
57. The nature and value of these services are such that they are subject to the tendering requirements of the Public Contracts Regulations 2015 (PCR). However, the ESPO framework was established following a PCR compliant

tendering process and the council is a party able to use the framework. The ESPO framework may therefore be used by the council without the need to advertise the opportunity on the Find a Tender service.

58. As noted in paragraph 16 of the report, a further competition will be followed and every supplier on Lot 1 of the ESPO framework will be invited to bid. Bidders will be evaluated on the basis of 51% quality, 34% price and 15% social value, as detailed in paragraphs 19 and 32 of the report.
59. Cabinet's attention is drawn to the Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010, which requires public bodies to have due regard, when making decisions, to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct, advance equality of opportunity, and foster good relations between persons who share a relevant protected characteristic and those who do not share it. Cabinet is specifically referred to the community, equalities (including socio-economic) and health impacts at paragraphs 34 to 37 of the report setting out the consideration that has been given to equality issues.

#### **Strategic Director of Finance and Governance (FC22/049)**

60. This report requests Cabinet approval to let a new contract for the supply of agency workers via Lot 1 of the ESPO framework Managed Services for Temporary Agency Resources (MSTAR3). Details and background are contained within the main body of the report.
61. The financial implications (paragraphs 45 to 49) provide an estimated value of the contract based on the council's existing use of agency workers. The Strategic Director of Finance and Governance notes that there is no minimum contract value, and expenditure on this contract will be dependent on the demand from business units and available funding.
62. Staffing and any other costs associated with the proposals in this report will be contained within existing departmental revenue budgets.

**BACKGROUND DOCUMENTS**

<b>Background Document</b>	<b>Held by and Contact</b>
Gateway 2 – Contract Award: Contract for the Supply of Agency Workers (18 December 2017)	Southwark Council Ben Plant ben.plant@southwark.gov.uk
<b>Link:</b> <a href="https://moderngov.southwark.gov.uk/documents/s66999/Report%20Gateway%202%20Contract%20award%20approval%20-%20managed%20service%20provider%20for%20agency%20staff.pdf">https://moderngov.southwark.gov.uk/documents/s66999/Report%20Gateway%202%20Contract%20award%20approval%20-%20managed%20service%20provider%20for%20agency%20staff.pdf</a>	
Gateway 3 – Variation Decision: Contract for the Supply of Agency Workers (2 February 2021)	Southwark Council Ben Plant ben.plant@southwark.gov.uk
<b>Link:</b> <a href="https://moderngov.southwark.gov.uk/documents/s93374/Report%20Gateway%203%20-%20Variation%20Decision%20Extension%20of%20the%20Agency%20Worker%20contract.pdf">https://moderngov.southwark.gov.uk/documents/s93374/Report%20Gateway%203%20-%20Variation%20Decision%20Extension%20of%20the%20Agency%20Worker%20contract.pdf</a>	
Gateway 3 – Variation Decision: Contract for the Supply of agency Workers (1 March 2022)	Southwark Council Ben Plant ben.plant@southwark.gov.uk
<b>Link:</b> <a href="https://moderngov.southwark.gov.uk/documents/s105702/Report%20Gateway%203%20-%20Extension%20of%20the%20Agency%20Worker%20contract.pdf">https://moderngov.southwark.gov.uk/documents/s105702/Report%20Gateway%203%20-%20Extension%20of%20the%20Agency%20Worker%20contract.pdf</a>	

**APPENDICES**

<b>No.</b>	<b>Title</b>
None	

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Stephanie Cryan, Cabinet Member for Communities, Equalities and Finance	
<b>Lead Officer</b>	Althea Loderick, Chief Executive	
<b>Report Author</b>	Ben Plant, Director of HR and Organisational Development	
<b>Version</b>	Final	
<b>Dated</b>	6 January 2023	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Head of Procurement	Yes	Yes
Director of Law and Governance	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
<b>Contract Review Boards</b>		
Directorate Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		6 January 2023

<b>Item No.</b> 17.	<b>Classification:</b> Open	<b>Date:</b> 17 January 2023	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Authorisation of Debt Write-offs over £50,000 for National Non Domestic Rates – Revenues & Benefits Service	
<b>Ward(s) or groups affected:</b>			
<b>Cabinet Member:</b>		Councillor Stephanie Cryan, Communities, Equalities and Finance	

### **FOREWORD - COUNCILLOR STEPHANIE CRYAN – CABINET MEMBER FOR COMMUNITIES, EQUALITIES & FINANCE**

National Non Domestic Rates, known locally as business rates, are collected from businesses in the borough by the Council. Since 2013/14 when the business rates retention scheme was introduced, the Council keeps 50 per cent of business rates.

The Council is responsible for collecting approximately £320m of National Non Domestic Rates and take appropriate enforcement action where needed to ensure that collection performance is high.

Historically, collection rates have been high with a collection rate in 2021-22 of 99%. This demonstrates that the Council is acting diligently and effectively in collecting business rates.

However, there will be cases where businesses cease to trade due to becoming insolvent or dissolved where it has been decided it is not financially viable to continue to operate. In a small number of cases, the amount of rates will be considerable as they are calculated on the rateable value of the property occupied.

The Council will only consider writing off debt where it is deemed to be irrecoverable to collect. The cost of business rates write offs is shared between central government and the Council.

### **RECOMMENDATIONS**

1. That approval is given for write off of the debts of £215,875.78 for two debts which are irrecoverable.

### **BACKGROUND INFORMATION**

2. Under the Councils Constitution write-off of debts above £5,000 but below £50,000 has been delegated to individual Members within their own service area. Debt write-off under £5,000 can be authorised by Chief Officers. Write off of any debt over £50,000 must be referred to Cabinet for authorisation.

3. There are a number of key reasons why the council may wish to write-off a debt. These are:
- i. The debt cannot be substantiated i.e. there is no documentary evidence that the debtor accepted the goods or services with the knowledge that a charge would be made.
  - ii. The debt is uneconomic to collect i.e. the cost of collection, including substantiation, is greater than the value of the debt.
  - iii. The debt is time barred, where the statute of limitation applies. Generally this means that if a period of six years has elapsed since the debt was last demanded, the debt cannot be enforced by legal action.
  - iv. The debtor cannot be found or communicated with despite all reasonable attempts to trace the debtor.
  - v. The debtor is deceased and there is no likely settlement from the estate or next of kin.
  - vi. Hardship, where permitted, (not hardship relief) on the grounds that recovery of the debt is likely to cause the debtor serious financial difficulty.
  - vii. Insolvency where the organisation or person has gone into bankruptcy and there are no assets to claim against.

## **KEY ISSUES FOR CONSIDERATION**

### **Policy framework implications**

4. Appendix 1 includes write-offs for National Non-Domestic Rates (NNDR). The NNDR write-offs have been recommended by the Council's NNDR Business Unit. In each case and where appropriate the business unit has attempted to trace account holders and recover the debt via a standard procedure as follows: -
- Interrogation of the NNDR database.
  - Interrogation of the Document Imaging System
  - Tracing letters issued to other local authorities & solicitors
  - Inspection of the business premises
  - Land Registry searches
  - Companies House searches
  - Tracing letter to landlords or letting/managing agents & directors
  - Debt notified to the Insolvency Practitioner or Official Receiver dealing with the Companies affairs
  - Checks made with other Council Departments

5. The NNDR business unit use a minimum of three tracing methods and conducts a 10% audit review of cases under £5,000, a 50% audit review of cases £5,000 to £50,000 and 100% on cases over £50,000 to ensure that the correct procedures have been adhered to.
6. Every avenue of debt enforcement available to the Council is pursued and the account is reviewed by both an NNDR Revenues Officer and a Senior Revenues Officer before a debt is recommended for write off.

### **Community, equalities (including socio-economic) and health impacts**

#### **Community impact statement**

7. The decision has been judged to have no or very small impact on local communities and public.

#### **Equalities (including socio-economic) impact statement**

8. There are no equalities or socio-economic impacts anticipated from this report.

#### **Health impact statement**

9. We do not anticipate any impact on physical or mental health from the production of this report.

#### **Climate change implications**

10. There should be no additional adverse effects on climate change due to this report.

#### **Resource implications**

11. The total Non Domestic Rates debt recommended for write off is £215,875.78 for 2 debts which are irrecoverable. These relate to 2 companies which have been subject to insolvency action.
12. In the current economic climate, it is envisaged that a greater number of small and medium sized businesses will experience difficult trading conditions. Whilst every effort will be made to provide support within the scope of the existing legislation, it is inevitable that there will be an increase in the number of businesses dissolved, entering into administration or liquidation. This in turn will lead to more cases being written off due to the business rates debts being irrecoverable.
13. The above debt will be contained within the NNDR bad debt provisions.
14. As per paragraph 4 the schedule of write-offs has been compiled in accordance with the Council's agreed policy and procedures.

15. The debts are recommended for write off as they are considered irrecoverable or uneconomic to collect.
16. The recommended write-off of £215,875.78 for National Non Domestic Rates will be contained within the Councils relevant bad debt provisions.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Director of Law and Governance**

17. The report recommends that the debts set out in Appendix 1 to this report are written off in accordance with the council's procedures on debt write-off.
18. The approval of debt write-offs for sums over £50,000 is reserved to the cabinet for collective decision making. This particular debt has arisen as a result of non-payment of non-domestic rates.
19. The report sets out the circumstances whereby debts can lawfully be written off by the Council and this includes cases where a company has been dissolved and there are no assets to claim against. The companies in appendix 1 are companies which have been dissolved. In such circumstances there are no means available to successfully pursue the debt.
20. The Director of Law and Governance agrees with the recommendation that these debts should be written off in accordance with procedure and is lawful.

### **Strategic Director of Finance and Governance**

21. As per paragraph 3 the schedule of write-offs has been compiled in accordance with the Council's agreed policy and procedures.
22. This report recommends the write off of ten debts, each falling within the range reserved for member decision. Each debt meets one or more of the criteria for write-off and the Finance Director considers that it would be uneconomic to make any further attempt at recovery.
23. The recommended write-off of £215,875.78 will be contained within the Council's bad debt provisions. The amount will be met from the NNDR Rating Pool and the cost is not borne by the Council or Council Taxpayers.
24. As per paragraph 3 the schedule of write-offs has been compiled in accordance with the Council's agreed policy and procedures.

**BACKGROUND DOCUMENTS**

Background Papers	Held At	Contact
None		

**APPENDICES**

No.	Title
Appendix 1	Case studies 1-2

**AUDIT TRAIL**

<b>Cabinet Member</b>	Councillor Stephanie Cryan, Communities, Equalities and Finance	
<b>Lead Officer</b>	Duncan Whitfield, Strategic Director of Finance and Governance	
<b>Report Author</b>	Norman Lockie, Head of Income Operations	
<b>Version</b>	Final	
<b>Dated</b>	5 January 2023	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Governance	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		5 January 2023

## APPENDIX 1

## Case details

## Case 1

Name & address of ratepayer	Acct.	Amount	Period	Reason for write off
A Realisations 2020 Limited (Su31) Unit 131, London Bridge Station, Tooley Street, London, SE1 9SP	6979130	£109,486.11	16/10/17- 03/07/19	Company dissolved

## Statement of account

## Amount billed

Period	Amount £
16/10/17-31/03/18	28,538.70
01/04/18-31/03/19	64,125.00
01/04/19-03/07/19	<u>16,822.41</u>
<b>Total amount billed</b>	<b>109,486.11</b>

Payments received 0.00

**Balance outstanding £109,486.11**

## Notices issued

Date	Details
13/05/19	Bill for period 16/10/17-31/03/20
22/07/19	Reminder notice
06/09/19	Revised bill for the amount due up to 03/07/19 following the company entering into a Company Voluntary Arrangement (CVA)

## Case history

The company traded as Accessorize from a unit at London Bridge Station, which they occupied on 16/10/17. This was a new unit and a request was made to the Valuation Office Agency to assess the rateable value of the property so that a bill could be issued.

The Valuation Office Agency notified the Council of the rateable value on 03/05/19 and the bill was issued on 13/05/19. On 20/06/19, the company proposed a Company Voluntary Arrangement (CVA) due to the rent and occupancy costs facing the business becoming unaffordable.

When a CVA is proposed, the Council is required by law to suspend recovery action.

The creditors meeting was held on 03/07/19 and the proposed CVA was accepted by the creditors. From March 2020, the retail stores operated by the company had to be closed due to COVID-19. They continued to incur substantial retail estate costs but could only trade online.

The CVA ended on 06/07/20 when the company entered Administration. No dividend was received and the company was dissolved on 13 June 2022. The debt is irrecoverable.

**Case 2**

<b>Name &amp; address of ratepayer</b>	<b>Acct.</b>	<b>Amount</b>	<b>Period</b>	<b>Reason for write off</b>
Roast (London) Limited Roast At, Floral Hall, Borough Market, SE1 1TL	699467 5	£106,389.67	01/04/18- 14/11/19	Company in liquidation No dividend payable

**Statement of account****Amount billed**

<b>Period</b>	<b>Amount £</b>
01/02/18-31/03/18	8,871.71
01/04/18-31/03/19	66,270.17
01/04/19-03/07/19	<u>72,152.34</u>
<b>Total amount billed</b>	<b>147,294.22</b>
Payments received	40,904.55cr
<b>Balance outstanding</b>	<b>£106,389.67</b>

**Notices issued**

<b>Date</b>	<b>Details</b>
30/08/19	Bill for period 01/02/18-31/03/20
16/09/19	Reminder notice
16/10/19	Final notice
22/11/19	Summons
23/12/19	Revised bill for the amount due up to 14/11/19 when the company vacated the property

**Recovery action taken:**

13/12/19	Liability order obtained for the debt outstanding up to 31/03/19
----------	--

**Case history**

Roast restaurant have traded at the property in Borough Market since 2005. The original company, Roast Restaurant Limited, went into liquidation in January 2018 but they continued to pay the business rates liability by direct debit. A new company, Roast (London) Limited took over the property and notified the Council of this in August 2019.

The new company made some payments in respect of their rate liability, but due to funding issues which affected the company's cash flow and legal proceedings connected with the lease of the property, the company were not able to continue to pay the monthly instalments.

The landlord assigned the lease to a new company and the rate liability of Roast (London) Ltd was terminated with effect from 14/11/19.

On 02/12/19, a liquidator was appointed, with the statement of affairs showing that the company had a deficit of £1.4million. Due to a liquidator being appointed, recovery action had to be suspended.

A dividend of £5,289.59 was received from the liquidators on 13/04/22. In their final report prior to the dissolution of the company (dated 20/09/22), the liquidators have advised that there will be no further dividend available to unsecured creditors. The company is due to be dissolved on 27/12/22 and the debt is irrecoverable.

.

<b>Item No.</b> 18.	<b>Classification:</b> Open	<b>Date:</b> 17 January 2023	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Motions Referred from Council Assembly	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Council Assembly	

## RECOMMENDATION

1. That the cabinet considers the motions set out in the appendices attached to the report.

## BACKGROUND INFORMATION

2. Council assembly at its meeting on 23 November 2022 agreed several motions and these stand referred to the cabinet for consideration.
3. The cabinet is requested to consider the motions referred to it. Any proposals in a motion are treated as a recommendation only. When considering a motion, cabinet can decide to:
  - Note the motion; *or*
  - Agree the motion in its entirety, *or*
  - Amend the motion; *or*
  - Reject the motion.

## KEY ISSUES FOR CONSIDERATION

4. In accordance with council assembly procedure rule 2.10.6, the attached motions were referred to the cabinet.
5. The constitution allocates responsibility for particular functions to council assembly, including approving the budget and policy framework, and to the cabinet for developing and implementing the budget and policy framework and overseeing the running of council services on a day-to-day basis.
6. Any key issues, such as policy, community impact or funding implications are included in the advice from the relevant chief officer.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Council agenda	Report on the council's website	Virginia Wynn-Jones Constitutional Team 020 7525 7055
<b>Link:</b> <a href="#">Agenda for Council Assembly on Wednesday 23 November 2022, 7.00 pm - Southwark Council</a>		

## APPENDICES

Number	Title
Appendix 1	Good quality housing is a human right: the plan for Southwark
Appendix 2	Council funding crisis: We need a general election now
Appendix 3	Councils for Fair Democracy
Appendix 4	Free school meals for all primary school children
Appendix 5	Tackling food poverty
Appendix 6	Care leaver as a protected characteristic
Appendix 7	Free Period Products in Southwark Council Buildings
Appendix 8	Supporting insourcing of cleaning staff at our anchor institutions including University of the Arts London (UAL)
Appendix 9	The Home Office and the unacceptable backlog of visa cases

## AUDIT TRAIL

<b>Lead Officer</b>	Chidilim Agada, Head of Constitutional and Member Services	
<b>Report Author</b>	Virginia Wynn-Jones, Principal Constitutional Officer	
<b>Version</b>	Final	
<b>Dated</b>	20 December 2022	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments sought</b>	<b>Comments included</b>
Strategic Director of Finance and Governance	No	No
Director of Law and Governance	No	No
<b>Cabinet Member</b>	No	No
<b>Date final report sent to Constitutional Team</b>	20 December 2022	

**APPENDIX 1****Good quality housing is a human right: the plan for Southwark**

1. Council assembly notes:
  - a. The government's rash economic experiments in recent months, followed up by multiple U-turns have created a confidence crisis and worsened the current economic situation.
  - b. The country faces a cost of living crisis with food bills rising, fuel bills rising wages stagnating, this has created a huge fall in the standard of living.
  - c. The disastrous mini-budget in September mortgage spiked the interest rates, making it harder for people to pay their own mortgage and raised the barrier even higher for first time buyers.
  - d. Private rental costs in London are up a staggering 14% on last year.
  - e. Those in private rented accommodation now spend on average 52% of their median monthly income on housing costs.
  - f. 1/3 of our residents live in privately rented homes; that is why Southwark Council introduced the Gold Standard Charter (GSC) which is a voluntary scheme that rewards landlords and managing agents who provide a professional level of service and good practice to their tenants in the private rented sector.
  - g. Council housing is the way to tackle the housing crisis and that good quality homes change people's lives. That is why, since 2014, Southwark has completed or started on site building of 2,561 new council homes and approved 1,000 more. This is a huge achievement in delivering affordable homes for our residents and Southwark stands out as one of the most prolific council house builders in the last 5 years.
  - h. Since 2014-15, the council has been proactive in working with external partners to ensure that social rent homes are delivered as part of every major schemes. This has led, directly, to a net increase of 3,618 approved social rent homes in Southwark.
2. Council assembly believes:
  - a. Good quality housing is a human right.
  - b. Private rented homes have their place but we believe that social rented homes are the best way to create long term secure housing for residents and good quality social housing can set the standard of housing across both the public and private sector.

- c. Resident involvement is vital to brings residents, leaseholders together to find a way forward in these challenging times.
- d. The rental market is not working; we need a rental system that works for Southwark. Until we have enough affordable homes, we need to control rent levels. Families are being priced out of Southwark and London.

3. Council assembly resolves:

- a. To call for increased regulation in the private rented sector to protect renters and would lobby a future Labour government to introduce these.
- b. Join voices with the Mayor of London, Sadiq Khan, in calling on the government to grant City Hall powers to set fair limits on private sector rents rises, a move that City Hall have shown would save families an average of £2,988 during the next two years.
- c. Build 500 homes for keyworkers at rents that nurses and teachers from our local hospitals and schools and other key workers can afford.
- d. Build new council homes for older people, designed so residents can live independently for longer.
- e. Use our planning powers to robustly require new social rent homes in private developments alongside other types of genuinely affordable homes.
- f. Back local people to build genuinely affordable homes, supporting them to establish Community Land Trusts, housing co-operatives and partnerships with faith groups that deliver homes that stay affordable forever.
- g. Launch a Good Lettings Agency that makes it easy for landlords who have empty homes to let them at affordable rents to essential workers, homeless families and refugees
- h. Guarantee support to everyone who is on the street in Southwark to access a home of their own and campaign for the government action needed to end rough sleeping for good.
- i. Roll out more protections and support for private renters, extending the council's licensing scheme so landlords have to meet higher standards
- j. Fund free advice services so support is there if your landlord is acting unfairly.

- k. Improve services for council tenants and leaseholders. Strengthening our Great Estates Guarantee and ensuring repairs to council homes are done right first time.
- l. Take a zero tolerance approach to rogue landlords and empty homes, using all the powers available to the council to tackle the worst offenders and campaigning for the resources and powers to bring more long-term empty homes back into use.

**APPENDIX 2****Council funding crisis: We need a general election now**

1. Council assembly notes:
  - a. Local councils and public services have faced 12 years of damaging cuts imposed by the Conservative and Liberal Democrat Governments since 2010.
  - b. £142 million has already been cut from Southwark's government grant funding since 2010. This represents 63% of our central funding, which must be made up from other sources.
  - c. During that time we have taken incredibly difficult decisions to ensure we can deliver our core services to our residents.
  - d. While global factors have contributed to the inflation crisis, the Conservative government's decision, particularly the fallout from the chaotic 'mini budget', have hugely damaged the economic stability in the United Kingdom.
  - e. Paul Sculley MP's comments at the Conservative party conference suggesting there 'there was still fat to trim' regarding council budgets is disgraceful, and show how detached the Conservative Party are from the realities of delivering public services.
  - f. The new Chancellor (Jeremy Hunt at the time of writing) was a high profile cabinet member in the Conservative/Liberal Democrat government responsible for the destructive austerity programme that hugely damaged the nation's public services.
  - g. Councillor Kieron Williams wrote to the Chancellor on 21 October 2022 outlining extreme concerns over the impact of further cuts to local government funding.
2. Council assembly believes:
  - a. Ordinary working people must not be made to pay for the failed economic game playing of the chaotic Conservative Party, who are now onto their third Prime Minister in a matter of months.
  - b. The current economic crisis cannot be solved by a return to even harsher austerity measures that we saw introduced by the Conservative and Liberal Democrat coalition governments since 2010.
  - c. Further reduction in local government funding will mean that we simply cannot deliver vital services; there is nothing left to cut.

d. Rishi Sunak has no mandate and no idea what working people need. We need a general election now so the public get a say on the future of Britain – and the chance for a fresh start with a competent and responsible Labour government in touch with the needs of working people.

3. Council assembly resolves to:

a. Renew calls on the new Prime Minister and Chancellor to not make working people pay for the mistakes made by the government. The funding gap must be filled by progressive means.

b. Make every effort to protect our residents and work to deliver vital services even in the face of the public spending cuts the Chancellor announced on Monday 17 November 2022.

c. Continue to call for an immediate general election so that the country can decide its priorities.

### Councils for Fair Democracy

1. Council assembly notes that:
  - a. Many people feel excluded from our Parliamentary democracy.
  - b. The 2022 Elections Act will raise significant barriers to political participation, due to the introduction of the need for 'Voter ID'. Many residents may not have a drivers licence or passport, the most commons forms of the ID required. This change to the law will disenfranchise many of our communities.
  - c. The removal of a permanent postal votes, will raise further barriers to political participation.
  - d. MPs and Parliaments should reflect the age, gender and protected characteristics of local communities and the nation.
  - e. MPs should reflect their communities, leading to improved decision making, wider participation and increased levels of ownership of decisions taken.
  - f. Good Government should open up pathways to democracy, not close them down
  - g. The most recent Labour Government introduced the Devolution Act, which created regional and national assemblies to devolve powers to a more local level.
2. Council therefore resolves to:
  - a. Campaign for a Labour Government that will defend democracy, including scrapping the new voter ID legislation, as this recent change in the law represents the biggest threat to democracy in the UK right now.
  - b. Campaign for a Labour Government that will explore progressive constitution reform; such as lowering the Voting age to 16, political literacy education, and potential changes to the electoral system.
  - a. Campaign for a Labour Government that will explore reforms for the House of Lords, including abolition of the Lords and the introductions of an elected second chamber.

## Free school meals for all primary school children

### 1. Council assembly notes:

- a. Currently 3.9 million children in the UK – or 8 pupils in every class of 30 – are growing up trapped in poverty.
- b. Southwark Labour committed to providing Free Healthy School Meals (FHSMs) to all primary school children in Southwark in 2010 with the policy being successfully rolled out from 2011. The Labour administration have maintained this policy over the last decade and the policy was recommitted to in the 2022 Southwark Labour manifesto.
- c. In July 2019, Southwark Labour introduced Free Healthy Nursery Meals (FHNMs) for school nursery classes and maintained nursery schools. Evidence shows that the best time for setting healthy behaviours is during the early years, and we rightly recognised that FHNMs, just like FHSMs, could address food insecurity and reduce costs for parents and carers.
- d. These policies have been warmly welcomed by families the length of Southwark even before the current cost of living crisis.
- e. We know that as the cost of living crisis spirals and more and more families reliant on food banks, FHSMs will become an even more highly valuable form of support.
- f. Without urgent and immediate action, an additional 1.3 million adults and 500,000 children will be pushed into poverty next year.
- g. Over eight in ten of respondents to a recent National Education Union survey told us that their students demonstrated fatigue (87%) and an inability to concentrate (81%) as a result of poverty. Almost three-quarters said their students were unable to complete homework and more than half said students had experienced hunger (57%) or ill health (55%).
- h. By age 11, only around three quarters of children from the poorest fifth of families reach the government's expected level at Key Stage 2, compared to 97% of children from the richest fifth.
- i. In April 2022, 7.3 million adults lived in households that said they had gone without food or could not physically get it in the past month, which includes 2.6 million children.
- j. 800,000 pupils who are living in poverty are not receiving Free School Meals.
- k. Last year saw the largest increase in obesity rates in both reception-aged and year 6 schoolchildren in a decade. Obesity rates amongst reception-aged and year 6 children rose by 4.5% to 14.4% and 25.5% respectively.

1. Rolling out Free School Meals to all children in primary school nationally would represent an £850 million investment in our children's futures.
2. Council assembly commits to:
  - a. Continue to invest the quality of our Free School Meals so that every parent knows that their child will be able to enjoy a healthy meal every day they are at school.
  - b. Extend holiday meals for children on Free School Meals up until Easter 2023, in order to provide relief for families facing the worst cost of living crisis in a generation.
  - c. Write to all Southwark secondary schools, highlighting the research undertaken by the Child Poverty Action Group 'Cost of the School Day' project and ask them whether their students eligible for Free School Meals can use their allowance at any time throughout the school day, and whether any unspent money is rolled over so that students can use this credit on the following or any subsequent day.
  - d. Work with other councils across the country to lobby the government to bring in free healthy, school meals for every primary school child, as part of the current national campaign run by the National Education Union.

## Tackling food poverty

1. Council assembly notes that:
  - a. The cost of living emergency is going to leave thousands in our borough struggling to afford to feed themselves and their families this winter.
  - b. In October, the Food Foundation released data showing that one in four household with children (25.8%) have experienced food insecurity in the past month affecting an estimated 4 million children in the UK.
  - c. The rising costs of energy and food will force families to choose between heating and eating.
  - d. 91% of food banks across the country have seen an increase in demand since July this year while the cost of a single food parcel has gone up by as much as £19. Food banks or community kitchens will need more support if they are to continue providing food for vulnerable people.
  - e. With a government in perpetual crisis, the council must continue to provide support for residents who are struggling financially, with radical and innovative policies like the council's Cost of Living Fund and Southwark Emergency Support Scheme (SESS).
  - f. Southwark Cost of Living Fund provides low-income residents with extra income support to pay for food, energy, or other essentials in the context of the Cost of Living crisis. Some vulnerable households in need of support are identified and given support from the fund automatically, others may be referred to the fund by community partners, and from January any resident will be able to apply for help from the fund.
2. Council assembly welcomes that:
  - a. Southwark has shown a commendable commitment to tackling food poverty.
  - b. During covid, the council distributed over £500,000 in emergency funding to organisations providing food to vulnerable people.
  - c. In March 2022, our council unanimously committed to support the right to food campaign.
  - d. Southwark offers universal free school meals for all primary school age children.

- e. In July, the council, extended free school meals over the school holidays.

3. Council assembly further notes that:

- a. The council continue at pace, the work across departments, with schools, and other London local authorities to ensure children aged 11 -16 do not go hungry.
- b. Southwark had a meals on wheels service which provided hot meals to vulnerable residents, but it was ended in 2015 after 5 years of cuts of local government grant funding by the Conservative and Lib Dem Government'.
- c. Charities providing food for vulnerable people throughout the borough will see their costs rise. The council is applying the same principals it did when supporting residents during the Covid pandemic. Providing emergency financial support and advice to ensure residents can still access these vital services.
- d. The council must, where possible, find policies that simultaneously save residents money on their energy bills and help them feed themselves and their families;
  - i. Slow cookers allow people to cook healthy meals whilst costing an average of £300 less per year than an electric oven.
  - ii. Many other councils have distributed slow cookers to vulnerable residents during covid and during the current cost of living crisis to help households cook healthy meals and save costs.

4. Council assembly resolves to:

- a. Continue to invest in quality of our Free School Meals, for all nursery and primary school children, so that every parent knows that their child will be able to enjoy a healthy meal every day they are at school.
- b. Extend holiday meals for children on Free School Meals up until Easter 2023, in order to provide relief for families facing the worst cost of living crisis in a generation.
- c. Write to all Southwark secondary schools, highlighting the research undertaken by the Child Poverty Action Group 'Cost of the School 6 Day' project, and follow up the school survey, ask them whether their students eligible for Free School Meals can use their allowance at any time throughout the school day, and whether any unspent money is rolled over so that students can use this credit on the following or any subsequent day.
- d. Work with other councils across the country to lobby the government to bring in free healthy, school meals for every primary school child,

as part of the current national campaign run by the National Education Union.

- e. Ensure housing staff and landlords are aware of when and where they can direct people for emergency financial support, for white goods or for affordable cooking appliances (such as electric hotplates, slow cookers, rice cookers and microwaves), via charities such as 'Glasspool', and other national funds, including specific funding for working professionals, that are included in Southwark's cost of living support booklet.
- f. Continue to champion the work of the Southwark Community Support Alliance, who organise foodbanks, shopping help and can link residents to help and support in the community.
- g. Provide support via Southwark Emergency Support Scheme (SESS) that help Southwark residents facing a crisis, emergency or disaster and need help. The scheme provides food vouchers, or help with bills.
- h. Support residents to access Community fridges, Pantry schemes and Age UKs Shopping help for the over 50s.

**Care leaver as a protected characteristic**

1. Council assembly notes:
  - a. Care experienced people face significant barriers that impact them throughout their lives;
  - b. Despite the resilience of many care experienced people, society too often does not take their needs into account;
  - c. Care experienced people often face discrimination and stigma across housing, health, education, relationships, employment and in the criminal justice system;
  - d. Care experienced people often face a postcode lottery of support;
  - e. As corporate parents, councillors have a collective responsibility for providing the best possible care and safeguarding for the children who are looked after by us as an authority;
  - f. All corporate parents should commit to acting as mentors, hearing the voices of looked after children and young people, and considering their needs in any aspect of council work;
  - g. Councillors should be champions of our looked after children and challenge the negative attitudes and prejudice that exists in all aspects of society;
  - h. The Public Sector Equality Duty requires public bodies, such as councils, to eliminate unlawful discrimination, harassment, and victimisation of people with protected characteristics;
  - i. In March 2021 the Independent Review into Children's Social Care began its work.
2. Council assembly believes that:
  - a. Care experienced people are an oppressed group who face discrimination;
  - b. Councils have a duty to put the needs of oppressed people at the heart of decision-making through co-production and collaboration;
  - c. Services and policies should be assessed through Equality Impact Assessments to determine the impact of changes on people with care experience.
3. Council assembly resolves:

- a. To formally support the Show Us You Care Too campaign which calls for care experience to be made a protected characteristic as part of the Independent Review into Children's Social Care;
- b. For the council to proactively seek out and listen to the voices of care experienced people when developing new policies based on their views;
- c. To continue to build on the existing ring-fenced apprenticeship opportunities for care experienced people by committing to an agreed number of apprenticeships places each year delivered through the council's levy funding;
- d. To take an intersectional approach and commit to tackling the systemic discrimination and disproportionality faced by specific groups of care experienced people.

**Free Period Products in Southwark Council Buildings**

1. Council Assembly notes that:
  - a. In June 2022, a Plan International UK survey found that nearly one in four girls in London were unable to afford period products since the start of the year, which was higher than the national rate.
  - b. The charity found that girls across the country were cutting down on food and school spending in order to afford period products.
  - c. Scotland was the first country in the world to make period products free for all.
  - d. Surrey County and Oxford City Council have both set up or agreed to schemes to provide free period products.
2. Council Assembly believes that:
  - a. No-one should experience period poverty.
3. Council Assembly resolves to:
  - a. Explore the cost and practicalities of providing free period products in all of the council's public toilets and buildings including the town hall, libraries and community centres that do not already have these available. This would include all female, male, disabled and gender-neutral toilets.
  - b. Where possible, provide sustainable period products for free.
  - c. Ensure there are sanitary waste bins in all of the council's toilets.
  - d. Contact state-maintained schools and education institutions in Southwark asking them to participate in the UK government's period product scheme.
  - e. Call for the UK government to make period products free and available to all who need them.

**APPENDIX 8****Supporting insourcing of cleaning staff at our anchor institutions including University of the Arts London (UAL)**

1. Council assembly notes:
  - a. One of our Council Delivery Plan commitments is to “Deliver a major public awareness campaign to make sure Southwark residents know their rights at work and the benefits of trade union membership”
  - b. Many universities and public sector employers are now insourcing cleaners and other auxiliary staff. Keeping staff in-house is shown to be more cost-effective, representing better value for tax-payer money and providing better forms of employment to workers.
  - c. UAL is a valuable part of our community. Ranked as second in the world for art and design, the University provides world-class creative education and enriches students, residents, visitors, businesses, and local stakeholders with public exhibitions and local partnerships.
  - d. UAL currently outsources its cleaning contract and the UAL cleaning staff are currently engaged in an ongoing industrial dispute with UAL about this, including a pending strike ballot for an all-out strike.
  - e. Some of the benefits of a directly employed workforce include:
    - Sick pay and pension
    - Trade Union recognition
    - Protection against dismissal, harassment and unsafe working conditions.
    - Equalities relating to race, sex and nationality.
2. Council assembly believes:
  - a. Insourcing can help create more careers and jobs within Southwark’s big employers for local residents, including in our council, NHS, big businesses and universities
  - b. The benefits of insourcing include commitments to the wellbeing and prosperity of all of an organisations staff, including the eradication of discrimination and inequality among the workforce.
  - c. Many universities and public sector employers are now insourcing cleaners and other auxiliary staff. Keeping staff in-house is shown to be more cost-effective, representing better value for tax-payer money and providing better forms of employment to workers engaged in notoriously unregulated sectors such as commercial facilities management.

- d. Insourcing should always be the first consideration when procuring services and services should always be insourced where it is possible to do so.

3. Council assembly resolves:

- a. To encourage the President and Vice-Chancellor of UAL to directly employ cleaners currently outsourced on the same terms and conditions as other staff
- b. To support the aims of UAL: End Outsourcing and the unions representing outsourced cleaners
- c. To support and campaign for an end to outsourcing of staff at anchor institutions and public bodies within the borough
- d. To ask the Council's Cabinet to continue the successful work the council has been taking forward to bring council services back in house, publicly reporting progress every year.

**APPENDIX 9****The Home Office and the unacceptable backlog of visa cases**

1. Council assembly notes:
  - a. The unacceptable backlog of Home Office visa cases where people living in this country are kept in a state of limbo for years at a time, unable to work and move on with their lives.
  - b. For example, the case of a Rotherhithe resident who is being threatened with deportation after more than eleven years in London, and being hailed locally as a 'lockdown hero' for his extensive work ensuring vulnerable people had access to food during the pandemic.
  - c. The dreadful No Recourse to Public Funds policy, which prevents those affected by the policy from working or claiming support as needed, often leading to poverty and destitution
  - d. The maladministration of the Home Office under Suella Braverman, and her predecessor Priti Patel, which continues to cause misery to thousands of people under the government's inhumane hostile environment policy.
2. Council assembly resolves:
  - a. To call on the government to resolve the unacceptable backlog of visa cases, including that of local residents.
  - b. To call on the government to immediately end the dreadful No Resource to Public Funds policy, so that those affected by this policy in Southwark and across the country are able to work and claim support as required.
  - c. To oppose the hostile environment policies and to campaign for a general election now, so that the Home Office can be brought under control of a new government with human rights and humane policies at its core.

<b>Item No.</b> 19.	<b>Classification:</b> Open	<b>Date:</b> 17 January 2023	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Appointments to Outside Bodies 2022-23 – Various	
<b>Ward(s) or groups affected:</b>		Not applicable	
<b>From:</b>		Proper Constitutional Officer	

## RECOMMENDATION

1. That the cabinet consider and agree to appoint a councillor to the following outside bodies for 2022-23:
  - WeAreWaterloo Business Improvement District (BID) outside body (one member vacancy plus a staff representative as detailed in paragraph 9 of this report)
  - Potters Field Park Management Trust (one vacancy)
  - Kings College Hospital NHS (Council of Governors) (one vacancy).

## BACKGROUND INFORMATION

2. Each year the council undertakes appointments to a number of outside bodies, which normally takes place at the June cabinet meeting.
3. The previous appointees acting as members of WeAreWaterloo BID, Potters Field Park Management Trust and Kings Hospital NHS (council of governors) have stepped down, and new appointments are required.
4. For the WeAreWaterloo BID the appointment is normally considered appropriate for a ward member of St George's ward.

## KEY ISSUES FOR CONSIDERATION

### Appointments to outside bodies

5. It is for the cabinet to affiliate to and appoint representatives to outside bodies where such appointments are a function of the cabinet.

### Nomination to WeAreWaterloo BID (one vacancy)

6. The responsibility for this business improvement district is to create a safer and more pleasant trading environment for businesses and to promote the area to bring in more visitors, whilst maintaining its individuality and unique character.

7. The appointed member will act as a member of the BID.
8. The Board has also requested a Southwark staff representative to attend their board meetings. They have advised that they have a Lambeth staff representative on their board as they are also located in Lambeth Council. They have indicated that the appropriate Southwark officer will be the head of economy (currently, Danny Edwards).

#### **Nomination to Potters Field Park Management Trust (one vacancy)**

9. Potters Fields Park Management Trust leases the park for events, functions and other activities in order to provide funds for maintenance, and to develop programmes which educate and engage with the community.
10. The appointed member will be a member of a board of directors, which provides governance, and strategic/financial oversight of the management of Potters Fields Park and St. John's Churchyard. Both parks are managed independently by the Trust under the terms of Southwark Council leases.

#### **Kings College Hospital NHS (Council of Governors) (1 vacancy)**

11. A vision is to become a fundamentally new kind of hospital built around patient need, offering patients the highest quality of care, and to deliver this as part of a joined-up and well-managed healthcare system, built in partnership with GPs and other healthcare providers.
12. The appointed member will serve on the council of governors.

#### **Legal implications**

13. Appointments to some of the outside bodies may carry risk both corporately and to the individuals appointed. Standards committee at its meeting on 9 November 2011 approved 'Guidance to Members who serve on Outside Bodies' which is intended to help councillors understand their duties when appointed to outside bodies, and how to handle conflicts of interest that may arise. The guidance is available in the library on the council website.

#### **Community, equalities (including socio-economic) and health impacts**

##### **Community impact statement**

14. The council is being invited to make a nomination to the outside bodies specified in recommendation 1. The nominations process has no direct impact on the community.

##### **Equalities (including socio-economic) impact statement**

15. There are no specific implications arising.

#### Health impact statement

16. There are no specific implications arising.

#### Climate change implications

17. There are no specific implications arising.

#### BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

#### APPENDICES

No.	Title
None	

#### AUDIT TRAIL

<b>Lead Officer</b>	Chidilim Agada, Head of Constitutional and Member Services	
<b>Report Author</b>	Paula Thornton, Constitutional Officer	
<b>Version</b>	Final	
<b>Dated</b>	9 January 2023	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Governance	No	No
Strategic Director of Finance and Governance	No	No
<b>Date final report sent to Constitutional Team</b>		9 January 2023

This page is intentionally blank.

**CABINET AGENDA DISTRIBUTION LIST (OPEN)****MUNICIPAL YEAR 2022-23**

**NOTE:** Original held by Constitutional Team; all amendments/queries to  
[Paula.thornton@southwark.gov.uk](mailto:Paula.thornton@southwark.gov.uk)

Name	No of copies	Name	No of copies
<b>Members (paper copies)</b>		<b>Corporate Management Team</b>	
Kieron Williams	1	Althea Loderick	1
Jasmine Ali	1	Duncan Whitfield	1
Dora Dixon-Fyle MBE	1	David Quirke-Thornton	1
		Michael Scorer	1
		Caroline Bruce	1
<b>Members - electronic Versions (no hard copy)</b>		<b>Officers</b>	
Evelyn Akoto		Doreen Forrester-Brown	1
Stephanie Cryan		Allan Wells	1
Alice Macdonald		Ian Young	1
James McAsh			
Darren Merrill		<b>Others</b>	
Catherine Rose		Louise Neilan – electronic copy	
Martin Seaton		Paula Thornton, Constitutional Officer	6
Ian Wingfield			
Irina Von Wiese			
Suzanne Abachor			
Victor Chamberlain			
Ellie Cumbo			
Jon Hartley			
Laura Johnson			
Sunny Lambe			
Margy Newens			
Jason Ochere			
Leo Pollak			
<b>Group Offices - electronic</b>			
Joseph Brown, Cabinet Office			
Group Office			
Euan Cadzow-Webb, Liberal Democrat Office			
		<b>Total: 18</b>	
		<b>Dated: 3 January 2023</b>	