

Education and Local Economy Scrutiny Commission

Monday 17 October 2022

7.00 pm

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

Membership

Councillor Jason Ochere (Chair)
Councillor Rachel Bentley (Vice-Chair)
Councillor Chloe Tomlinson
Councillor Joseph Vambe
Councillor Cassandra Brown
Councillor Renata Hamvas
Councillor David Watson
Martin Brecknell (Co-opted member)
Lynette Murphy-O'Dwyer (Co-opted member)
Marcin Jagodzinski (Co-opted member)
Mannah Kargbo (Co-opted member)

Reserves

Councillor Maggie Browning
Councillor Bethan Roberts
Councillor Laura Johnson
Councillor Victoria Mills
Councillor Sunny Lambe
Councillor Victor Chamberlain
Councillor Irina Von Wiese

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Contact

Amit Alva on email: amit.alva@southwark.gov.uk

Members of the committee are summoned to attend this meeting

Althea Loderick

Chief Executive

Date: 7 October 2022



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Education and Local Economy Scrutiny Commission

Monday 17 October 2022

7.00 pm

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

Order of Business

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| | PART A OPEN BUSINESS | |
| 1. | APOLOGIES | |
| | To receive any apologies for absence. | |
| 2. | NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT | |
| | In special circumstances, an item of business may be added to an agenda within five clear working days of the meeting. | |
| 3. | DISCLOSURE OF INTERESTS AND DISPENSATIONS. | |
| | Members to declare any interests and dispensations in respect of any item of business to be considered at this meeting. | |
| 4. | MINUTES | 1 - 5 |
| | To approve as a correct record the Minutes of the meeting held on 20 July 2022. | |

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| 5. | PUPIL PLACES: LOOKING AT SHORTFALLS IN PRIMARY PUPIL NUMBERS ACROSS THE BOROUGH | |
| | To hear from Headteachers of schools listed below on Pupil Places: Looking at shortfalls in primary pupil numbers across the borough. | |
| | <ul style="list-style-type: none"> • Pilgrims' Way and Bellenden Primary Schools- Gregory Doey • Grange Primary School- Rebecca Benjamins • Ivydale Primary School- Helen Ingham • Rye Oak Primary School- Ruth Sharp • Townsend Primary School- Anne Stonell • Victory Primary School – Makeda Williams-Pinnock | |
| 6. | PLANNING STRATEGIES FOR FAMILY SIZED HOMES TO HELP MITIGATE FALLING ROLLS IN SCHOOLS | 6 - 18 |
| | To receive a report from Juliet Seymour, Planning Policy Manager on planning strategies for family sized homes to help mitigate falling rolls in schools. | |
| 7. | IMPACT OF THE COST-OF-LIVING CRISIS ON BUSINESSES IN SOUTHWARK | |
| | To hear from Local Businesses coping with cost-of-living crisis, especially supply chain issues: | |
| | <ul style="list-style-type: none"> • Jacqueline Kneebone, Regional Director for Environment, Social, Governance, Sea Containers, Lore Group and Floris Kouijzer Hotel Manager presenting a report to the commission on supply chain issues. (<i>Report to follow</i>) • Pete Avery, Federation of Small Businesses | |
| 8. | CABINET RESPONSE TO REPORT OF THE EDUCATION AND LOCAL ECONOMY SCRUTINY COMMISSION 2021-22: REVIEW OF SPECIAL EDUCATIONAL NEEDS AND DISABILITIES (SEND) PROVISION IN THE BOROUGH OF SOUTHWARK | 19 - 29 |
| | To note the Cabinet Response to Report of the Education and Local Economy Scrutiny Commission 2021-22: Review of Special Educational Needs and Disabilities (SEND) Provision in the Borough of Southwark. | |

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| 12. | WORK PROGRAMME 2022-23 | 104 - 110 |
| | To note the work programme for 2022-2023. | |
| | DISCUSSION OF ANY OTHER OPEN ITEMS AS NOTIFIED AT THE START OF THE MEETING. | |

Date: 7 October 2022



Education and Local Economy Scrutiny Commission

MINUTES of the OPEN section of the Education and Local Economy Scrutiny Commission held on Wednesday 20 July 2022 at 7.00 pm at Ground Floor Meeting Room G02A - 160 Tooley Street, London SE1 2QH

PRESENT: Councillor Jason Ochere (Chair)
Councillor Rachel Bentley (Vice- Chair)
Councillor Chloe Tomlinson
Councillor Joseph Vambe
Councillor Cassandra Brown
Councillor David Watson
Mannah Kargbo (Co-opted member)

OTHER MEMBERS PRESENT: Councillor Jasmine Ali

OFFICER SUPPORT: Amit Alva, Scrutiny Officer

1. APOLOGIES

Apologies for absence were received from Martin Brecknell (Co-opted member), Lynette Murphy O'Dwyer (Co-opted member) and also Councillor Renata Hamvas who was substituted by Councillor Maggie Browning.

Apologies for lateness were received from Marcin Jagodzinski (Co-opted member), however the member did not attend the meeting.

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

There were no items of business which the Chair deemed urgent.

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS.

Councillor Rachel Bentley disclosed that she is employed with the Centre for Local Economic Strategies (CLES) which has been mentioned in one of the reports in the agenda pack, however she also explained that there is no co-relation between her role at CLES and the information contained in the report.

4. PUPIL PLACES: LOOKING AT SHORTFALLS IN PRIMARY PUPIL NUMBERS ACROSS SOUTHWARK

The commission received a report from Councillor Jasmine Ali, Cabinet Member for Children, Young People and Education on Pupil Places, looking at shortfalls in primary pupil numbers across Southwark. The commission heard from Councillor Ali on the following topics:

- Demographics of Southwark being a young diverse and rapidly growing borough with large numbers of young adults and residents from very wide range of ethnic backgrounds.
- Falling rolls in primary and secondary schools, performance and standards of schools and investment in schools.
- Falling rolls being attributed to falling birth rates, Housing, Global Pandemic, Brexit and Housing shortages.
- Mitigation of falling rolls by managing pupil admission numbers, federating schools, repurposing schools for community use and special needs and setup of a member officer group to tackle falling rolls.
- Case studies on church schools having the lowest numbers of admission.
- Future steps- Letter to Education Secretary, Green Paper on Special Education Needs, White paper on Schools and Strategy to Cabinet in autumn 2022.

The Chair suggested that the commission write a joint letter to the MP Robert Halfon, Chair of the Education Select Committee on falling rolls in pupil numbers in Southwark and nationally.

The commission then heard from Nina Dohel, Director of Education, Children and Adults Services on the following topics:

- Need for initiative in tracking and analysing falling rolls nationally from the Department for Education (DFE).
- Southwark Council's proposal to Cabinet on managing falling rolls and funding.
- Maintaining high quality education by working with Heads of Schools, parents and teachers.
- Inaccuracies in GLA projections which schools use plan their provisions in schools.

Nina Dohel and Councillor Ali answered the commission's questions on the following topics:

- Factors for reception cohorts (admission rates) that are at around 70% in relation to birth rates across London.
- Disproportionate impact on: good and outstanding schools and disadvantaged pupils and working class pupils in good and outstanding schools.

Councillor Ali expressed that it would be valuable to the work of the commission to look at data for factors leading to reception cohorts corresponding to birth rates. Nina suggested that the commission could approach the London Councils and PAN London Place Planning Group for the factors affecting reception cohort rate and also approach the Secretary of State for statistics on population and migration out of London.

The commission also learned that factors such as parent preference and proximity affect the intake in good and outstanding schools noting that the quality of education is quite similar between the schools. On disadvantaged and working class pupils in good and outstanding schools the commission learned that equality impact assessments are carried out to ascertain any measures to be taken. The commission also learned that schools having falling rolls and more than 10% vacancy struggle to get funding.

The commission agreed to look into planning matters on provisions of family sized homes in London and also health and safety, bringing up children with regards to air quality and climate change that could cause migration out of London.

The commission asked questions on the following topics:

- Impact of the policy of free universal primary school meals on pupil premium funding for schools.
- Teacher pay rises of 5% compared to school funding rise of only 2% leading to budget deficits for schools.
- Impact of removal of families from Black Asian and Ethnic Minority (BAME) backgrounds from council homes in London on falling rolls and also children from BAME backgrounds not receiving free school meals

The commission learned that the council through the schools are continually encouraging parents to apply for pupil premium funding, however there are language and cultural differences amongst families which the schools are handling sensitively.

The commission also agreed to look into school funding being impacted by the cost of living crisis, taking into account that the teacher pay rises are only 5% which have been traditional offset by hiring younger, cheaper by pay teachers.

Councillor Ali thanked the commission for bringing to notice the impact of removal of BAME families from Council Homes in London with regards to falling rolls and

that this issue would be reviewed. The commission also heard that almost all secondary schools are a part of multi academy trusts and they are developing their own strategies to mitigate their fall in pupil numbers.

5. IMPACT ON BUSINESSES IN THE FACE OF THE COST-OF-LIVING CRISIS

The commission received a report from Matthew Little, Principal Strategy officer on the impact on businesses in the face of the cost-of-living crisis. The commission heard from Matthew on the following topics:

- Jobs and recruitment – Economic mitigation strategies that are currently in consultation with businesses to overcome barriers in the aftermath of the pandemic such as cost of living crisis.
- Business support employment programs such as Southwark Works and Southwark Pioneers Fund (SPF) meeting inflationary costs
- Supply chain- local spend research with CLES.
- London Living Wage- Target of 250 employers with the help of a steering group.

The commission then discussed the following topics:

- New Economic Strategy consultation- response to inflationary pressures with innovative procurement strategies.
- Opportunities for ex-offenders and their success rate in Southwark Works.
- Southwark Works contract renewal in June 2023.
- Living wage and conditions of employment such as zero hour contracts.
- Affordable work spaces.
- Landlords for commercial properties occupied and empty properties including council and privately owned properties.
- Procurement strategy with CLES.
- Impact of the £2m SPF funding on regular and BAME businesses in the aftermath of the pandemic.

6. WORK PROGRAMME 2022-2023

The commission proposed the following work programmes items:

- Pupil Places - looking at shortfalls in primary pupil numbers across Southwark
- Impact of businesses in the face of the cost-of-living crisis.
- Progress and delivery of the inclusion Charter in schools across Southwark including the inclusion of Black children and anti-racism in schools.
- Performance of businesses - Climate change targets including green jobs for youth.
- Southwark Works and its outreach programme.

- Progress and delivery of the SPF.
- Green energy and BAME staff disciplining in schools.
- Attending out of commission meetings for information gathering such as All-Party Parliamentary Groups (APPG) meetings.

Meeting ended at 9:02 pm

CHAIR:

DATED:

Pupil Place Planning Meeting

Planning and Regeneration Update

Steve Platts, Director of Planning and Growth

Juliet Seymour, Head of Policy, Building Control and
the Historic Environment

Bruce Glockling, Head of Regeneration

3 December 2021

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Trends

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Trends - Dramatic, unprecedented change

Significant recent trends:

- Brexit – people leaving/have left London
- New working practices / Covid 19 pandemic gives people, including families, more flexibility on where they live
- The bedroom tax, where housing benefit could be reduced if you live in council or social housing and have a spare bedroom, has made it more challenging for many families to live within the borough
- Fall in birth rates
- London has traditionally had major changes in population, schools and the state will need to respond to this accordingly.

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Key findings of GLA population projections

- There is a clear discrepancy between the pupil roll projections and the actual pupil roll figures as identified in the table.
- The GLA identified problems with the ONS mid-year estimates which the trend-based projections were based on.
- Significant migration of children between boroughs was not being sufficiently accounted for in the ONS data and this meant that projections were inflating the number of children and families.
- In the 2020-based projections, adjustments have been made to account for these limitations and improve the robustness of the model including consideration of the impacts of COVID and Brexit.

| | Primary Pupil Rolls September 2015-2021 (reception and whole school) | GLA Pupil Roll Projections (2015-2021) |
|------|--|--|
| 2015 | 23,374 | 24,940 |
| 2016 | 23,535 | 25,515 |
| 2017 | 23,486 | 26,090 |
| 2018 | 23,189 | 26,455 |
| 2019 | 22,785 | 26,894 |
| 2020 | 22,077 | 26,920 |
| 2021 | 21,561 | 26,941 |

Family friendly borough - Southwark's Borough Plan

Homes for all:

- Commitments to meet the housing needs of our residents, including increasing the number of council homes and taking action to reduce the number of empty homes.

A great start in life

- Commitments as every child deserves the best start in life.
- These commitments include supporting schools to close the attainment gap, invest in young people in Southwark, ensuring our youth services meet their needs and giving them a stronger voice in decisions which affect them.

Thriving neighbourhoods

- Commitments build more prosperous, inclusive and sustainable neighbourhoods that each have the parks, shops, cafes, leisure facilities, health centres, schools and workplaces needed for their community to thrive.
- These commitments in the Borough Plan seek to encourage more families to live in the borough if more family homes and facilities are available.



Southwark's Borough Plan
2020-22

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[@southwark](#) [facebook.com/southwarkcouncil](https://www.facebook.com/southwarkcouncil)

Family friendly borough -

Policy context

London Plan 2021

- Sets a target of **2,355 homes** per annum in Southwark to 2029 – 23,550 homes from 2019-2029
- Policy requires the delivery of 50% affordable housing on public sector land.
- Policy requires the percentage of affordable housing on a scheme to be measured in habitable rooms (not the number of units) to ensure that a range of sizes of affordable homes can be delivered, including family-sized homes.



Family friendly borough

Policy context

Southwark Plan 2022

- Significant delivery of homes planned in the borough
- London Plan target of **2,355 homes** per annum is set out in the plan up to 2036, **40,035 homes** over the plan period.
- Site allocations in the Plan identify the potential delivery of new homes in the borough of up to **38,389 homes**, this is set out per area in the table.

| Area visions as defined in the New Southwark Plan | | Approximate housing capacity within the borough through Site Allocations by Area |
|---|-----------------------|--|
| Aylesbury | | 1,500 |
| Bankside and Borough | | 1,022 |
| Bermondsey | | 2,313 |
| Blackfriars Road | | 1,241 |
| Camberwell | | 1,765 |
| Crystal Palace and Gipsy Hill | | 103 |
| Dulwich | | 63 |
| East Dulwich | | 374 |
| Elephant and Castle | Site Allocations | 1,686 |
| | Elephant Park | 683 |
| | Planning Applications | 0 |
| | Total | 2,315 |
| Herne Hill and North Dulwich | | 45 |
| London Bridge | | 483 |
| Old Kent Road | | 20,800*** |
| Peckham | | 1,220 |
| Rotherhithe (minimum figures based on Canada Water masterplan, NSP78) | | 4,712** |
| Walworth | | 229 |
| Total (minimum based on Canada Water Masterplan, NSP78) | | 38,389 |

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Family friendly borough -

Policy context

Southwark Plan 2022

- We believe in giving all our young people the best start in life and creating a family friendly borough which is the first choice for parents and carers to bring up their children. We will always aim to have the best for our children.

- Developments are required to provide of 35% social rented and intermediate housing (this is higher in the Aylesbury Action Area Core) or else a payment can be made towards the delivery of council homes. Developers and housing associations are encouraged to provide the maximum amount of affordable housing.

- A proportion of family homes (3+ bedrooms) are required in schemes of 10 homes and more, ranging from 20% to 30% depending on the location.



Family friendly borough -

Policy context



Southwark Plan 2022

- Policy sets a requirement for the provision of private amenity space, communal amenity space and facilities for all residents, and child play space on site.
- Development on the Old Kent Road is also required to provide public open space to address the open space deficiency in the area.
- A number of site allocations in the Plan are required to provide public open spaces which would deliver 11ha of open space in the borough.

These requirements in the Plan should encourage families to live in the borough and could influence the number of families and children living in the borough.

Investment to deliver family friendly neighbourhoods



- As well as the requirements in the Borough Plan, Housing Strategy and Southwark Plan 2022, significant investment is being made by the council to deliver family friendly neighbourhoods.
- Through Section 106 contributions from planning permissions, investment is being spent on new council homes, new local parks, improvements to parks, improvements to community facilities, public realm improvements, other infrastructure improvements and investment in schools.
- Through the borough Community Infrastructure Levy monies received, neighbourhood spending is determined through discussions with the community and is approved by Cabinet and covers proposals from improvements to parks, public realm and community buildings.

Next steps for the population projections work

- Providing the GLA with our housing pipeline data to prepare updated population projections based on the anticipated housing supply coming forward in the borough.
- These will be 2020-based projections where the GLA has made improvements to the model to provide more robust projections.
- These will be analysed by Children and Adult Services and updated pupil roll projections will potentially be run by the GLA.

Next steps for the population projections work

- Consider whether bespoke projections need to be prepared for Southwark taking into consideration:
 - Previous trends
 - Provision of family homes
 - Tenure of homes and child yield on an area basis to understand what is happening on the ground
 - Falling and rising pupil rolls
 - Drop in birth rates
 - Who is living in these new developments – families or individuals?

When family homes are built, it is not guaranteed that families will live in them as they may be occupied by individuals. Research will be undertaken to understand who has moved into the developments over the past few years.

Improved monitoring will make it easier to determine numbers, size and tenures of homes delivered and whether there are changes to the supply.

These considerations will inform updated pupil roll projections.

- Other relevant demography data will need to be considered, including:
 - ONS fertility and mortality rates data
 - Migration
 - Cohort survival models by ward to improve accuracy of shorter school roll projections from birth to school age.

Next steps

- Real world analysis of child yield
- Providing children's services and head teachers with an accurate basis to plan the future
- Making sure schools are full for the future

| | | | |
|------------------------------------|--------------------------------|--|---------------------------------|
| Item No. 11. | Classification: Open | Date: 13 September 2022 | Meeting Name: Cabinet |
| Report title: | | Response to Report of the Education and Local Economy Scrutiny Commission: Special Educational Needs and Disabilities (SEND) provision in the Borough of Southwark | |
| Ward(s) or groups affected: | | All | |
| Cabinet Member: | | Councillor Jasmine Ali, Deputy Leader and Cabinet Lead for Children, Young People & Schools | |

FOREWORD - COUNCILLOR JASMINE ALI, DEPUTY LEADER AND CABINET MEMBER FOR CHILDREN, YOUNG PEOPLE AND SCHOOLS

I would like to thank the Education and Local Economy Scrutiny Commission for their recent scrutiny of Special Educational Needs and Disabilities (SEND) provision in Southwark. Support for children and young people with special educational needs could not be more important. With increasing demand for specialist services and a vicious cost of living crisis bearing down on our families, we welcome this opportunity to help us maximise opportunity for families reliant on our services.

Enclosed in this report you will find detailed responses to each of your recommendations.

Recommendation one in working with schools to increase confidence is already happening. We can assure you that your suggestion that the council to assist schools with early identification and support for children with special educational needs is a priority. The school must and do identify their leads and we are doing everything possible to improve support. But in the spirit of your recommendation we will work hard to do better.

On *recommendation two* regarding the new Integrated Care System (ICS) it is clear that there was a misunderstanding of the structural transition from Clinical Commissioning to the new ICS. From 1 July and the previous CCG staff have transferred to a new ICS Board. There is a continuity of care, and as our detailed response states, it is disappointing that you weren't able to secure contributions to your scrutiny from health colleagues.

I want to reassure you that under the new structures work with education colleagues within special educational needs provision remains a priority for health partners.

Recommendation three is noted, accepted and we are working closely with health partners on early diagnosis of autism, and this will be a key feature in the incoming Special Educational Needs and Disabilities strategy.

Recommendation four asks that we make clearer to parents when an EHC plan assessment may be necessary. We accept this and provide details below on what more we are doing and what more will be done to support parents understand when an assessment and support will be necessary. Certainly this is a key feature of our incoming SEND strategy.

Recommendation five asks a shortening of average timescales. As can be seen from the answer below a reduction in timescales in this climate of increasing demands would add further pressure to the financial budget. We acknowledge issue on timescales and budget remains an issue that we should work collaboratively to improve with the right resources. But are unable to accept this recommendation now.

On balance we're delivering on recommendation one, and recommendation two. We agree your recommendation three and four and are not in a position to agree recommendation five.

Today cabinet will agree the new Special Educational Needs and Disabilities strategy. This will help strengthen our commitment and ability to make sure that all our children and young people with special educational needs and or disabilities have the opportunity to attend high quality provision locally, to reach their potential, and to enjoy learning.

We remain ambitious for our families with special educational needs and disabilities and we look forward to scrutiny on the strategy and more importantly on its delivery so that everything that we do here is purposeful and improves lives.

RECOMMENDATIONS

1. That cabinet note the response of the Lead Member to the recommendations of the Scrutiny Committee on SEND in the London Borough of Southwark.

BACKGROUND INFORMATION

2. At the 14 June cabinet meeting the Local Economy Scrutiny Commission presented a report titled 'Special Educational Needs and Disabilities (SEND) provision in the Borough of Southwark'.
3. This report made five recommendations for the Lead Member to respond to. These are set out below with response to each.

KEY ISSUES FOR CONSIDERATION

4. The recommendations and Lead Member response are below in table form for ease:

Recommendation 1 - The Commission notes the increased acuteness of the needs of children in Southwark being diagnosed with SEND needs. The Commission supports the council's plans to continue to increase the levels of provision available within the borough to improve both the quality of experience for children with SEND needs, and the cost effectiveness of the provisions. *The Commission recommends that before the new SEND strategy is finalised, the council explore routes to supporting mainstream schools in improving the quality of training plans for their SEND provision, including Continuous Professional Development for staff.* The Commission identified varying levels of confidence and competence in schools across Southwark which will likely affect the ability of schools to identify and provide the necessary support to children who may have limited SEND needs that do not meet the threshold for receiving an Education, Health and Care Plan (EHC Plan), but that would greatly benefit from early identification and support.

Response to Recommendation 1:

The Council is already committed to working with all settings to target support and training to where it is most needed and to enable mainstream settings to be as inclusive as possible, celebrating best practice. It is a duty for each school to ensure they have a qualified Special Education Needs Coordinator and provide staff with relevant training based on the needs of children and school. There are already plans to provide further support including better signposting to the wide range of training opportunities that are already easily available for staff at all levels in schools at little or no cost.

Recommendation 2 - The Commission notes that from 1 July 2022 Southwark council and specifically Southwark Clinical Commissioning Group (CCG) which is now a part of South East London (SEL CCG) are due to implement an integrated care system (ICS) in line with Government guidance, entailing joined up care for people across the council, NHS and other partners with systems and governance arrangements aligned.

The Commission recommends that the respective senior responsible officers (SROs), including but not limited to Genette Laws (Director of Commissioning, Children's and Adults Services, Southwark council) and Dr Robert Davidson (GP Clinical Lead for Southwark, SEL CCG Governing Body) prioritise, in addition to the core requirements of ICSs:

- i) Setting out clear processes for sharing respective organisational "ways of working", given the distinct culture and practices of each organisation*
- ii) Agreeing processes for participation in shared education-related scrutiny and improvement processes, given the challenges of securing participation of health colleagues in out-of-hours scrutiny during this Commission's investigations*

Response to Recommendation 2:

The new Integrated Care System (ICS) has now been implemented from 1 July. Previous CCG staff have transferred to the new statutory Integrated Care Board (ICB), which forms part of the ICS, so there is continuity of existing local relationships. It is therefore disappointing that through these pre-existing relationships the Commission's difficulties in securing appropriate health presence at their evening sessions was not raised to allow an opportunity to rectify the situation. It is not clear who the Commission approached for evidence from across the health partners. Going forward, given health and care partners are working together through Partnership Southwark, the Chief Operating Officer would be a good initial contact and be able to assist Scrutiny Commissions in their work programmes and reviews as they relate to health, by connecting with the range of local health partners as appropriate.

It would be helpful as proposed that protocols for engagement and ways of working locally with health partners are refreshed between the ICB/Partnership Southwark team, council colleagues, and Scrutiny Commission chairs and lead officers considering the ICS changes and this work has already been agreed with the Health and Care Scrutiny Commission Chair and lead officer. A verbal briefing on the ICS changes can also be arranged.

As part of embedding the new ICS changes, there is significant local development underway and planned to support both leadership and front-line health and care staff as they work together in more joined-up ways. Work with educational and council colleagues in general and within SEND provision is critically important and remains a high priority for health partners.

Recommendation 3 - The Commission notes the council's successes in improving early diagnosis of autism. *The Commission recommends that the council works more closely with health colleagues to provide earlier diagnoses of other relevant SEND needs where assessment has historically been health and mental health led. In particular, the Commission recommends the council looks at whether under the new ICS, there should be an attempt to improve early diagnosis and early support of ADHD.*

Response to Recommendation 3:

The council, health colleague partnership has been successful in early diagnosis of and support for autism in the borough. In turn this has contributed significantly to the £21.6m overspend on high needs which is a potential risk to the council. Within the context of new ICS arrangements locally, the Council, local health and education partners recognise the need to build on existing operational strengths in SEND provision to further develop the SEND strategic partnership. We recognise that these arrangements will need to consider the recommendations arising from a recent draft joint strategic needs assessment (JSNA) and strategy for SEND, growing pressure on the council SEND budget and any future national guidance arising from an expected white paper.

We agree with the Scrutiny Commission's recommendation in relation to ADHD diagnosis and acknowledge that people are experiencing waits and will work with key partners and stakeholders in this provision to explore and develop cost effective improvements.

Recommendation 4 - *The Commission recommends that the council's information and guidance makes it clearer to parents and carers when an EHC Plan assessment may be necessary. This will give a better indication of the likelihood that a child with certain characteristics is going to be eligible. The Commission is concerned that current guidance risks giving parents and carers misleading guidance regarding their child's likely eligibility and limited information about support available in the absence of an EHC Plan.*

Response to Recommendation 4:

The Council follows the statutory guidance in the SEND Code of Practice 2015 in all decisions about Education, Health and Care assessments. The Council has also published extensive criteria about how decisions are made and these are available on the Southwark Local Offer (localoffer.southwark.gov.uk) to all in the borough. The SEND Team is working with the local parent carer forum (Southwark Independent Voice) to further develop the information and guidance available for parents of children with SEND. The SEND Strategy, about to be published, fully recognises the importance of engagement and working together with all stakeholders in the local area and particularly parents and carers.

Recommendation 5 - *The Commission strongly supports the council's commitment to providing early stage support and information, advice and guidance for parents and carers who are concerned that their child may have SEND needs. The Commission also acknowledges that Southwark has some of the lowest waiting times nationally with regards to SEND and EHC Plan assessments. The Commission recommends that the council explores shortening the average timescale for SEND diagnosis from the current, statutorily required, 20-week target. Whilst the Commission appreciates that there can be some support for children during the assessment period, the Commission notes the impact of this lengthy period on parents and carers, and on the ability to provide the best possible early support and schools to fund appropriate support before EHC Plan funding is forthcoming.*

Response to Recommendation 5:

As in the response to recommendation 4 above, timely support to meet need is always the aim. However, demand is high and rising in the Education, Health and Care assessment process. This does mean that meeting the 20 week deadline is already a challenge for all agencies involved. It would be unreasonable for the commission to place further demands on our schools, health partners and other agencies to provide reports any more swiftly than the statutory timescales allow. Reduction in timescales would also add further pressure to the SEND budget.

Policy framework implications

5. The council must work within the provisions in the Children and Families Act 2014 and the SEND Code of Practice 2015 in meeting the needs of children and young people 0-25 with SEND.

6. The responses as set out in this report advocates the council's values, commitments, priorities and promises to the residents of the borough. Specifically, giving every child in Southwark the opportunity to grow up in a safe, healthy and happy environment. With continuous investment to allow young people reach their full potential to thrive.
7. All of Southwark's educational settings offers a safe, healthy and happy space for children to grow, develop and learn their potential of which is closely monitored to uphold all commitments for children of borough.

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

Community impact statement

8. Section 149 of the Equality Act 2010, lays out the Public Sector Equality Duty (PSED) which requires public bodies to consider all individuals when carrying out their day to day work – in shaping policy, in delivering services and in relation to their own employees. It requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out their activities. The council's [Approach to Equality](#) commits the council to ensuring that equality is an integral part of our day to day business.
9. The council's Education Directorate involves working closely with all relevant stakeholders and partners across the sector and collectively we are committed to upholding the responsibilities towards advocating the Public Sector Equality Duty and complying with the Equalities Act 2010.
10. The PSED enables public bodies to consider the diverse needs of groups and have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities. Due regard is about considering the different needs of protected characteristics in relation to the three parts of the duty.
11. The Equalities Act 2010 define the following as protected characteristics; age; disability, gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Equalities (including socio-economic) impact statement

12. It is widely acknowledged that there is a disproportionate (unequal) impact on the health and education of children and families who have a lower socio-economic status and often for those who have a special educational need. Through all of our work we aim to achieve inclusion in education and individual success for all our children and young people with special educational needs.

13. The global pandemic has placed an additional layer of complexity onto service development and family life, encouraging a necessary focus on immediate priorities, safety, and continuity of existing delivery. Southwark mobilised a multi-agency, back- to school working group in April 2020 to support the attendance of vulnerable children (including those with SEND).

Health impact statement

14. Our schools work closely with the local authority and Public Health teams to roll out initiatives and campaigns that relate to children and young people with Special Educational Needs across the borough.
15. In addition, we support staff in maintained schools to access support for example through Sunshine House, Early years Autism team and other services.

Climate change implications

16. All schools including special schools have a travel plan with many, putting in place actions aimed at reducing congestion and vehicle access in their communities including, Zones around schools, banning cars, idling and encouraging children to walk, cycle wherever possible. A number of schools work closely with Transport for London (TfL) to support sustainable travel initiatives. Funding opportunities for schools to make their environments greener are regularly circulated and adopted by school communities.

Resource implications

17. The funding for children and young people with special educational needs is largely through the Designated Schools Grant High Needs Block. This is already overspent each year. The Southwark SEND strategy prioritises our areas of focus going forward which will be driven by an implementation plan and close financial oversight.

Consultation

18. Consultation on the Southwark SEND Strategy took place earlier this year and is also being considered by Cabinet at the September 2022 meeting.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

19. Not applicable.

Director of Law and Governance

20. Not applicable.

Strategic Director of Finance and Governance REF: [CAS22/07]

21. The cost of placements for SEND pupils is met from the High Needs block of the Dedicated Schools Grant. The High Needs block had a deficit of £21.6m at the end of the 2021/22 financial year and this is expected to grow to £23.6m by the end of March 2023. The number of pupils with SEND is also expected to grow and inflation is expected to add pressures to the budget. The funding from central government is not expected to increase in line with this.
22. Further financial and policy strategies are being worked to ensure that the high needs expenditure remains with the resources available. The Schools Forum will consider this on the 29th September 2022.
23. Alongside this, discussions are taking place with the Education and Skills Funding Agency for Southwark to become a “Safety Value Funded Authority”. This will potentially provide financial support to address some of the accumulated deficit within the High Needs block. Any funding will be subject to the delivery of the plans.
24. There is no immediate impact on the Core Funding, but if in the future the High Needs Block remains overspent then this may fall on the Core.

BACKGROUND DOCUMENTS

| Background Papers | Held At | Contact |
|--|--|------------------------------|
| 14 June 2022 Cabinet Agenda Item 17: Report of the Education and Local Economy Scrutiny Commission: Review of special educational needs and disabilities (SEND) provision in the Borough of Southwark | SEN and Inclusion Education Directorate Children’s and Adults’ Services 4 th Floor, 160 Tooley Street, London, SE1 2QH | Yvonne Ely 020 7525 52738 |
| <p>Link (please copy and paste browser): https://moderngov.southwark.gov.uk/documents/s107251/Report%20Scrutiny%20report%20Special%20Educational%20Needs%20and%20Disabilities%20SEND.pdf</p> | | |

| Background Papers | Held At | Contact |
|---|--|------------------------------|
| 26 September 2021 Education and Local Economy Scrutiny Commission Agenda Item 5: Special Educational Needs and Disability (SEND) Provision - Scrutiny Review | SEN and Inclusion Education Directorate Children's and Adults' Services 4 th Floor, 160 Tooley Street, London, SE1 2QH | Yvonne Ely 020 7525 52738 |
| Link (please copy and paste browser): https://moderngov.southwark.gov.uk/documents/s101563/Report_Special%20Educational%20Needs%20and%20Disabilities%20SEND.pdf | | |
| SEND | SEN and Inclusion Education Directorate Children's and Adults' Services 4 th Floor, 160 Tooley Street, London, SE1 2QH | Yvonne Ely 020 7525 52738 |
| Link: https://www.gov.uk/children-with-special-educational-needs | | |
| Children and Families Acct 2014 | SEN and Inclusion Education Directorate Children's and Adults' Services 4 th Floor, 160 Tooley Street, London, SE1 2QH | Yvonne Ely 020 7525 52738 |
| Link: https://www.legislation.gov.uk/ukpga/2014/6/contents/enacted | | |
| Equalities Act 2010 | SEN and Inclusion Education Directorate Children's and Adults' Services 4 th Floor, 160 Tooley Street, London, SE1 2QH | Yvonne Ely 020 7525 52738 |
| Link: https://www.legislation.gov.uk/ukpga/2010/15/contents | | |
| Southwark Council's Equality Objectives | SEN and Inclusion Education Directorate Children's and Adults' Services | Yvonne Ely 020 7525 52738 |

| Background Papers | Held At | Contact |
|---|--|------------------------------|
| | 4 th Floor, 160 Tooley Street, London, SE1 2QH | |
| Link (please copy and paste browser): https://www.southwark.gov.uk/council-and-democracy/equality-and-diversity/equality-objectives | | |
| Public Sector Equality Duty | SEN and Inclusion Education Directorate Children's and Adults' Services 4 th Floor, 160 Tooley Street, London, SE1 2QH | Yvonne Ely 020 7525 52738 |
| Link (please copy and paste browser): https://www.equalityhumanrights.com/en/advice-and-guidance/public-sector-equality-duty | | |
| Southwark Council's response to tackling the climate emergency | SEN and Inclusion Education Directorate Children's and Adults' Services 4 th Floor, 160 Tooley Street, London, SE1 2QH | Yvonne Ely 020 7525 52738 |
| Link: https://www.southwark.gov.uk/environment/climate-emergency | | |
| NHS Overview ADHD | SEN and Inclusion Education Directorate Children's and Adults' Services 4 th Floor, 160 Tooley Street, London, SE1 2QH | Yvonne Ely 020 7525 52738 |
| Link: https://www.nhs.uk/conditions/attention-deficit-hyperactivity-disorder-adhd/ | | |
| Southwark's Borough Plan | SEN and Inclusion Education Directorate Children's and Adults' Services 4 th Floor, 160 Tooley Street, London, SE1 2QH | Yvonne Ely 020 7525 52738 |

| Background Papers | Held At | Contact |
|---|---------|---------|
| | | |
| Link: https://www.southwark.gov.uk/council-and-democracy/fairer-future/council-plan | | |

APPENDICES

| No. | Title |
|------|-------|
| None | |

AUDIT TRAIL

| | | |
|---|---|--------------------------|
| Cabinet Member | Councillor Jasmine Ali, Deputy Leader and Cabinet Lead for Children, Young People & Schools | |
| Lead Officer | David Quirke-Thornton, Strategic Director of Children's and Adults' Services | |
| Report Author | Yvonne Ely, Assistant Director of SEND | |
| Version | Final | |
| Dated | 1 September 2022 | |
| Key Decision? | Yes | |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER | | |
| Officer Title | Comments Sought | Comments Included |
| Director of Law and Governance | Yes | No |
| Strategic Director of Finance and Governance | Yes | No |
| Cabinet Member | No | No |
| Date final report sent to Constitutional Team | | 1 September 2022 |

| | | | |
|------------------------------------|--------------------------------|--|---------------------------------|
| Item No. 15. | Classification: Open | Date: 13 September 2022 | Meeting Name: Cabinet |
| Report title: | | Response to the Report of the Education and Local Economy Scrutiny Commission: Procurement, Accessibility and Social Value | |
| Ward(s) or groups affected: | | All | |
| Cabinet Member: | | Councillor Stephanie Cryan, Finance, Democracy and Digital | |

FOREWORD: COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR FINANCE, DEMOCRACY AND DIGITAL

Southwark wants to keep more wealth within our communities. We’re working hard so the council and other big institutions in Southwark buy more goods and services from local businesses, cooperatives, social enterprises and charities, including Black, Asian, ethnic minority and women led-businesses and third sector organisations too.

We also know that these are challenging economic times for all of us, and we understand those challenges are likely to get more acute in the coming months. The Council has already set out its initial plans for how we support our communities through the Cost of Living Crisis and we know our response needs to be both short and long term. Buying locally means putting more into our local economy which over time helps generate local employment including apprenticeships which therefore means more spend stays in our town centres and neighbourhoods making our local places thriving and sustainable places to live in the long term. There are also benefits to the climate in keeping things local, including less travel and less emissions.

I would like to thank the Education and Local Economy Scrutiny Commission for the work they have carried out in looking at how we can get the best from procurement, accessibility and social value and welcome their recommendations. Together with the officer team across all services and partners across the borough we will consider the recommendations as part of our work in developing a new economic strategy and our local procurement policy including a new social value framework. This work will also take account of national changes anticipated early next year in legislation governing public sector procurement.

The work and future reporting will be incorporated in our Council Delivery Plan to 2026, which is our council wide plan for what we will deliver with and for our residents. It will also help feed into Southwark 2030 and our long term vision for the future of Southwark. I look forward, with the cabinet, to presenting further

reports on how we further generate local wealth and enhance social value in all we do, especially for those who need our support the most.

RECOMMENDATIONS

1. That Cabinet note and agree the response to the recommendations to the Education and Local Economy Scrutiny Commission's report on procurement, accessibility and social value dated 14 June 2022.

BACKGROUND INFORMATION

2. In February 2022 the Education and Local Economy Scrutiny Commission received an update on scrutiny recommendations to Cabinet made in 2020-2021 council year from the Director of Law and Governance on procurement: accessibility and social value. The update also included an overview of the Fairer Future Procurement Framework.
3. As part of this discussion, the Commission sought further information on contract monitoring, staff recruitment in procurement, challenges of the Social Value Act, apprenticeships and corporate reporting. The commission then agreed a further set of recommendations as set out in a report to cabinet. These recommendations are set out in paragraphs four to six below.
4. **Recommendation 1** - The Commission notes continued challenges in centrally understanding adherence to and performance against our Fairer Future Procurement Framework. The Commission recommends that the Council maintains its commitment to recruiting additional staff in the procurement team who can help address the known issues with tracking performance against, and implementation of the Fairer Future Procurement Framework. The Commission supports exploring further non-pecuniary routes to attracting new staff in this area and notes that as Test and Trace activity winds down there may be less demand elsewhere for staff with the requisite skills to deliver this role.
5. **Recommendation 2** - The Commission recommends Paragraph 55 (sic) of the Fairer Futures Procurement Framework is updated to reflect that:
 - A blanket target of 1 apprentice per £1 million in contract value will in many cases not be sufficiently ambitious.
 - Provide specific, more ambitious targets in areas where more apprenticeships can be supported per unit of contract value.
6. **Recommendation 3** - The commission recommends that the council revisit the percentages allocated to social value and consider raising them in the face of an existential threat of the pandemic to many local businesses and the declared climate emergency.
7. The recommendations of the review were presented to cabinet on 14 June

2022, with a request for the relevant cabinet member to bring back a report to respond to the recommendations provided.

KEY ISSUES FOR CONSIDERATION

8. The Commission's report contained three recommendations that it argued will enhance the delivery and reporting of outcomes as part of the council's Fairer Futures Procurement Framework.

Recommendation 1 – monitoring the Fairer Future Procurement Framework

9. *“The Commission notes continued challenges in centrally understanding adherence to and performance against our Fairer Future Procurement Framework. The Commission recommends that the Council maintains its commitment to recruiting additional staff in the procurement team who can help address the known issues with tracking performance against, and implementation of the Fairer Future Procurement Framework. The Commission supports exploring further non-pecuniary routes to attracting new staff in this area and notes that as Test and Trace activity winds down there may be less demand elsewhere for staff with the requisite skills to deliver this role.”*
10. The Procurement Advice Team at Southwark Council is a small central advisory function, supporting the council's developed Procurement structure with advice and guidance. The procurement function is devolved to departments and strategic directors therefore the responsibility for carrying out procurement and contract management activities, sits with each service area, many of which have procurement or contract teams.
11. A restructure of the Procurement Team was undertaken following the change of reporting lines to Law and Governance within Finance and Governance in November 2020 with the aim of delivering a team comprised of experienced, skilled and resilient staffing structure to support the council.
12. A recruitment process was undertaken in April 2021, that was only successful in appointing the junior member of the team (one of the five vacancies), in part due to uncertainty around the pandemic and working practices such as hybrid working, as well as issues with alternative sources of employment offering substantially over the salary levels being offered by the Council.
13. The main functions of the team are:
 - Providing strategic procurement advice on major themes, regulations and projects
 - Attendance at Departmental Contract Review Boards and Corporate Contract Review Board
 - Developing and maintaining procurement templates, documents, guidance and training including a Contract Management Toolkit

- Providing procurement concurrents for Gateway Reports
 - Updating and maintaining Council policy and processes such as the Fairer Future Procurement Framework and Contract Standing Orders
 - Training for and maintenance of the eProcurement system
 - Maintenance of access to the Approved List
 - Maintenance of the Social Value Portal system for larger tenders
 - Provision of credit checks if required
14. The Procurement Team comprises four members of staff. These being a Head of Procurement, two Specialist Procurement Advisors and one assistant Procurement and Contract Officer. The overall size of the team was reduced by two full time equivalent post as part of budget reductions in the financial year 2021/22.
15. Within the devolved structure of procurement in Southwark, contracts and contract management are the responsibility of each department. Each Strategic Director (as set out in Contract Standing Orders) is responsible for contract monitoring and performance, as well as tracking the performance of the fairer future procurement framework. The Procurement Advice Team does not monitor the procurement framework centrally.
16. Officers will undertake a review of systems to further enable Contract Managers to the report on contract management and monitoring, including Social Value and the obligations of the fairer future procurement framework. This will include consideration of any costs.

Recommendation 2 - Apprenticeships

17. *The Commission recommends Paragraph 55 (sic) of the Fairer Futures Procurement Framework is updated to reflect that:*
- *A blanket target of 1 apprentice per £1 million in contract value will in many cases not be sufficiently ambitious.*
 - *Provide specific, more ambitious targets in areas where more apprenticeships can be supported per unit of contract value.*
18. The Commission's report on procurement and social value states that on apprenticeships, it is important that the council look to be more ambitious and increase its target to more than 1 apprentice per £1 million in contract value. The report argues that while this might not be possible in some cases where contracts are for six months, more needs to be done for the benefit of young people in Southwark by working with local merchants and businesses to maximise the social value of contracts.
19. The current Fairer Futures Procurement Framework at paragraphs 62-63 states that, for all contracts over £1m in value the expectation will be that where practical at least one apprenticeship will be provided per £1m of contract value. These are aims. When it is not possible to achieve the aims this should be noted in the Gateway 1 report and, in any event, other social

value options should be considered.

20. The policy goes on to state that all apprenticeships should be of high quality and include an ambition for good quality employment and training provision, and the expectation that the apprentice is fairly paid, preferably at London Living Wage.
21. The council also has a robust section 106 policy when securing apprenticeship opportunities through development. This is set out in the council's Section 106 (S106) Supplementary Planning Document (SPD).
22. The SPD states that one new apprenticeship start (or in-work NVQ) should be secured for every 2000square metre of development.
23. Where the target number of sustained jobs, short courses or apprenticeships cannot be provided, a contribution will be sought to be used by Southwark Council to provide equivalent opportunities in the local area to residents based on the following formula:
 - Shortfall against target number of apprenticeship starts x £1,500 (which is the approximate cost of a typical construction sector Level 2 qualification).
24. Through this approach, the council has secured 548 apprenticeship since 2014. However, there is limited correlation between our S106 approach and that set out in our FFPF. As part of an imminent review of the council's suite of Supplementary Planning Documents (SPD), we will take the opportunity to ensure closer alignment between our S106 SPD and broader approach to social value.
25. A high-level assessment of central London borough social value policies has shown that where a specific policy on securing apprenticeships is referenced, Southwark's approach is congruous with other London boroughs.
26. For example, the London Borough of Hackney's policy states that one apprenticeship for every £1million spend should be secured where the workforce delivering the contract is significant. Westminster take a similar approach.
27. Other boroughs adopt a more flexible approach. Tower Hamlets for example, has no authoritative list of what the benefits should be secured but allows flexibility when selecting what benefits can be included in the tender process. When selecting these benefits, officers are required to keep in mind the value of the commissioned contract.
28. There are benefits and challenges with different approaches. As identified in the report by the Education and Local Economy Scrutiny Commission, a simplified policy of the number of apprentices per the value of contract as we have currently may not be sufficient to reflect the broad range of goods

and services procured by the council. Conversely, too much flexibility with limited guidance of expected outcomes may result in a sub-standard number of apprenticeships secured through procurement.

29. Reaching an appropriate balance between maximising impact and outcomes while ensuring deliverability of apprenticeships is key. As such, officers as a next step response will review our policy in relation to securing apprenticeships relative to contract size procured. This review will be set within a broader approach to developing local Community Wealth Building and our economic strategy for ensuring we deliver an economy that works for all, review of our Section 106 SPD and forthcoming changes to procurement legislation through the Procurement Act. This will be a cross-council piece of work involving all council departments led by the Director of Strategy and Economy and Director of Law and Governance.
30. This work will be incorporated into the proposed Council Delivery Plan (elsewhere on this agenda), particularly with regards commitments to keep more wealth within our community. A further report will be presented to Cabinet in the final quarter of 2022/23.

Recommendation 3 – social value

31. *The commission recommends that the council revisit the percentages allocated to social value and consider raising them in the face of an existential threat of the pandemic to many local businesses and the declared climate emergency.*
32. The fairer future procurement framework requires that: “For all contracts over £100k in value, this should consider the inclusion of social value and where applicable, use this as part of the evaluation methodology for the tender award. Evaluation criteria should be assessed on a case-by-case basis and the weightings should therefore reflect the relative importance of the social value element to the subject matter of the contract and should be proportional to this. It is however advised that this element be allocated at least 15% of the available evaluation marks.”
33. The procurement strategy (gateway one) reports for all contracts over £100k in value must set out the appropriate level of the evaluation criteria to be assigned to quality, cost and social value. The approval of the reports is made in line with the arrangements as set out within Contract Standing Orders (CSOs) by Chief Officer, Individual Decision Maker or Cabinet:

<https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=425&MIId=7427&Ver=4>

34. There are new Procurement Regulations (the Procurement Act) that are due to come into effect in 2023 that is being proposed to amend the way in which non-commercial elements can be taken into consideration and evaluated in tenders. At present, the council is restricted from taking into account non-commercial considerations when entering into

contracts/making decisions regarding procurements (section 17 of the Local Government Act 1988). The Public Services (Social Value) Act did amend section 17 to enable non-commercial matters to be considered to the extent that the council considers it necessary or expedient to facilitate compliance with the Social Value.

35. There are many non-commercial elements, including the consideration of the Fairer Future Procurement Framework, the gender pay gap as well as modern slavery and Climate Change and the support of local businesses that can all play a role in procurement and those organisations that we enter into contract with. Not all of these however need be explicitly part of the evaluation process. Instead these can be compliance requirements with processes such as an obligation to work with the council's adopted carbon measuring process to allow this part of their contract deliverables to be measured and baselined and reduced during the contract performance in line with the requirements of the Climate Change Strategy.
36. Evaluation criteria themselves allow a differentiation between the offers that are made to the council to deliver contracts for goods, works and services with their quality, cost and wider social value benefits that can be offered.
37. In the report to Cabinet in January 2021 on the Fairer Future Procurement Framework (FFPF), it was recommended that Social Value Policy was needed for Southwark Council that reflected the council's commitment in this area, including but not limited to procurement and contracts: "Given the nature of the current economic climate and impact of Covid-19 on businesses and the move to support greater local and small business support, a further review should be undertaken of the way in which social value (both what and how) is measured and assessed in procurement activities. This needs to include consideration of social value for lower value procurements, whilst taking account of the potential impact on smaller businesses and their ability to meet additional requirements."
38. Officers will review our work on social value as part of the wider package of work that includes developing our approach to local Community Wealth Building and our economic strategy to ensure we deliver an economy that works for all, a review of our Section 106 SPD and forthcoming changes to procurement legislation through the Procurement Act. This will be a cross-council piece of work involving all council departments led by the Director of Strategy and Economy and Director of Law and Governance. It will be incorporated into the proposed Council Delivery Plan (elsewhere on this agenda), particularly with regards commitments to keep more wealth within our community. A further report will be presented to Cabinet in the final quarter of 2022/23.

Policy framework implications

39. Southwark Council's Fairer Future Procurement Framework (FFPF) sets out how the council will use its procurement to support the delivery of the Borough Plan and Fairer Future Commitments and the processes and

practices that are needed to do this. The council expects all of its procurement activity to be undertaken to the highest ethical, sustainable and responsible standards and within a robust and transparent governance framework.

40. If agreed by cabinet, the Education and Local Economy Scrutiny Commission's recommendations on procurement will result in a review of social value policy, informed by our approach to developing local community wealth building that will necessitate an update or rewrite of the current version of the FFPF. The full extent of these impacts will be set out in future reports to cabinet.

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

Community impact statement

41. If agreed by cabinet, the Education and Local Economy Scrutiny Commission's recommendations on procurement will result in a review of social value policy that will require an assessment of community impacts. The full extent of these impacts will be set out when reporting back to cabinet.

Equalities (including socio-economic) impact statement

42. If agreed by cabinet, the Education and Local Economy Scrutiny Commission's recommendations on procurement will result in a review of social value policy that will require an assessment of equalities impacts. The full extent of these impacts will be set out when reporting back to cabinet.

Health impact statement

43. If agreed by cabinet, the Education and Local Economy Scrutiny Commission's recommendations on procurement will result in a review of social value policy that will require an assessment of health impacts. The full extent of these impacts will be set out when reporting back to cabinet.

Climate change implications

44. If agreed by cabinet, the Education and Local Economy Scrutiny Commission's recommendations on procurement will result in a review of social value policy that will require an assessment of climate change impacts and opportunities. The full extent of these impacts will be set out when reporting back to cabinet.

Resource implications

45. There are no immediate resource and financial implications arising from this report.

46. However, the recommendations made by the Education and Local Economy Scrutiny Commission have potential resource implications, especially where leading to policy review, change and renewal. It is not possible at this stage to quantify these but the agreement of actions to be taken will need to be subject to consideration of any associated staffing, IT or other resource requirements. Future resourcing decisions will be considered as part of the council's normal budget setting process.
47. The financial implications and funding requirements of actions agreed will be addressed in further reports at the point at which decisions on them are taken.

Legal implications

48. The recommendations made by the Education and Local Economy Scrutiny Commission have potential implications in relation to the forthcoming Procurement Bill currently before Parliament. It is not possible at this stage to quantify these but a fuller appraisal will be set out when reporting back to cabinet.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (CE22/031)

49. This report is requesting the Cabinet to note and agree the response to the recommendations to the Education and Local Economy Scrutiny Commission's report on procurement, accessibility and social value dated 14 June 2022.
50. The strategic director of finance and governance notes that there are no immediate financial implications arising from this report and notes the comments in resource implications on the future resourcing.
51. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

| Background Document | Held by and Contact |
|--|--|
| Report of the Education and Local Economy Scrutiny Commission: Procurement Accessibility and Social Value | Southwark Council Everton Roberts everton.roberts@southwark.gov.uk |
| Link (please copy and paste into browser): https://modern.gov.southwark.gov.uk/documents/s107253/Report%20Scrutiny%20report%20Procurement%20Accessibility%20and%20Social%20Value.pdf | |

APPENDICES

| No. | Title |
|------------|--------------|
| None | |

AUDIT TRAIL

| | | |
|---|---|--------------------------|
| Cabinet Member | Councillor Stephanie Cryan, Finance, Democracy and Digital | |
| Lead Officer | Doreen Forrester-Brown, Director of Law and Governance Stephen Gaskell, Director of Strategy and Economy | |
| Report Author | Stephen Gaskell, Director of Strategy and Economy | |
| Version | Final | |
| Dated | 1 September 2022 | |
| Key Decision? | No | |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER | | |
| Officer Title | Comments Sought | Comments Included |
| Director of Law and Governance | Yes | Yes |
| Strategic Director of Finance and Governance | Yes | Yes |
| Cabinet Member | Yes | Yes |
| Date final report sent to Constitutional Team | | 1 September 2022 |

| | | | |
|------------------------------------|--------------------------------|--|---------------------------------|
| Item No. 12. | Classification: Open | Date: 13 September 2022 | Meeting Name: Cabinet |
| Report title: | | Response to the Education and Local Economy Scrutiny Commission: Ethnicity Pay Gap | |
| Ward(s) or groups affected: | | All | |
| Cabinet Member | | Councillor Stephanie Cryan, Cabinet Member for Finance, Democracy and Digital | |

FOREWORD: COUNCILLOR STEPHANIE CRYAN, CABINET MEMBER FOR FINANCE, DEMOCRACY AND DIGITAL

Southwark is a proudly diverse borough and it is important that our workforce reflects that diversity across all levels. I am proud of the role this council plays in tackling all forms of racism and inequality, and the commitment we have made to be an inclusive, anti-racist employer.

Two years ago, we established Southwark Stands Together, which includes a workstream dedicated to improving the experience of Black, Asian and minority ethnic employees. Since then, we have designed and delivered a comprehensive programme of activity including the introduction of inclusive recruitment practice and development opportunities targeted at employees from Black, Asian and minority ethnic communities.

However, as our ethnicity pay gap demonstrates, there is still much more for us to do to achieve our ambition of eradicating racism and discrimination. I want to thank the members of the Education and Local Economy Scrutiny Commission for shining a light on the council’s ethnicity pay gap and for the recommendation they have made to help us meet this aim.

Earlier this year, the government announced it will not introduce a legal requirement for employers to calculate and publish their ethnicity pay gap. This is a very short-sighted and regressive announcement, which goes against any commitments made to Level Up. I am pleased to announce that Southwark Council is among the employers who voluntarily choose to publish this information. Being transparent about our ethnicity pay gap is a vital step towards closing it.

We are furthering our commitment to close the ethnicity pay gap through our Council Delivery Plan. We will be developing and delivering a new three-year ethnicity pay gap strategy, and have set a target to ensure the council’s senior management team is proportionately representative of Southwark’s Black, Asian and minority ethnic communities by 2030. In line with the performance management framework that underpins the Council Delivery Plan, I will be directly accountable to the Leader for the council’s progress in this area.

There is no quick fix to closing the council's ethnicity pay gap. It will require meaningful and sustainable change to cultural norms, policy and practice. I am committed to leading that change and I know my determination to close the council's ethnicity pay gap is shared by colleagues in Cabinet and council officers as well as members of the Education and Local Economy Scrutiny Commission.

RECOMMENDATIONS

That Cabinet:

1. Notes the recommendation made by the Education and Local Economy Scrutiny Commission.
2. Approves the response set out in this report.
3. Reaffirms its commitment to closing the council's ethnicity pay gap, which has been included as a priority in the new Council Delivery Plan.

BACKGROUND INFORMATION

4. The ethnicity pay gap is the difference between the average hourly pay of people from Black, Asian and minority ethnic communities and the average hourly pay of white people, irrespective of their role or seniority.
5. Unlike the gender pay gap, there is no legal requirement for employers to publish their ethnicity pay gap and many do not. The council voluntarily chooses to publish its ethnicity pay gap to promote transparency and accountability for addressing racial disparities in our workforce.

KEY ISSUES FOR CONSIDERATION

6. In February 2022, the Education and Local Economy Scrutiny Commission considered the council's ethnicity pay gap and the actions being taken to close it. Members of the commission asked questions about the recruitment process for the council's chief executive, retention of employees, and the reason for the slight increase in the council's ethnicity pay gap, which rose from 14.67% in April 2020 to 14.68% in April 2021.
7. Commission members expressed a concern that responsibility for closing the council's ethnicity pay gap was shared between two Cabinet portfolios: Finance, Performance and Democracy (as this portfolio was named at the time of the Scrutiny Commission meeting) and Equalities, Neighbourhoods and Leisure. As a result, in June 2022, the Commission made the following recommendation to Cabinet:

that the Leader of the Council takes formal responsibility for closing the growing ethnic minority pay gap in the council, and for ensuring that other pay gaps (principally the gender pay gap) do not follow a similar trend

Proposed response

8. The Leader of the Council is responsible for all executive functions and decides which of these should be delegated to cabinet members on an annual basis. At the Council Assembly in May 2022, the Leader appointed Councillor Cryan as the Cabinet Member for Finance, Democracy and Digital, which includes responsibility for equality and diversity in the council's workforce. As a result, Councillor Cryan is directly accountable to the Leader for progress towards closing the council's ethnicity pay gap and addressing any other disparities in our workforce.
9. The new Council Delivery Plan included elsewhere on the agenda at today's meeting reinforces this accountability. Commitments assigned to Councillor Cryan in the plan include:
 - the design and delivery of a three-year ethnicity pay gap strategy, which is to be co-produced with employees at every level of the council
 - progress towards our goal of ensuring the council's senior management (officers graded G14 and above) is proportionately representative of Southwark's Black, Asian and minority ethnic communities by 2030
10. Through the Southwark Stands Together programme, council officers have been leading the delivery of a comprehensive action plan designed to improve the experience of Black, Asian and minority ethnic colleagues and close the council's ethnicity pay gap. Activity to date includes:
 - the development and delivery of a new diversity and inclusion training programme, which addresses themes such as anti-racism, white privilege and imposter syndrome
 - the introduction of inclusive recruitment practice, including greater use of diverse recruitment panels and values-based questioning
 - the launch of new coaching, mentoring and development programmes, including Black on Board, which is targeted specifically at Black, Asian and minority ethnic colleagues
 - the development and delivery of directorate action plans
11. Ethnicity pay gap data for 2022 will be calculated and published later on this year. The government has announced it plans to issue voluntary guidance recommending how employers should measure their ethnicity pay gap. The council's approach will take account of this guidance once it is available.

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

12. The voluntary publication of our ethnicity pay gap reflects the council's commitment to tackling racial disparities in our workforce.

Climate change implications

13. There are no specific climate change implications arising from this report.

Resource implications

14. Resources are allocated to closing the council's ethnicity pay gap through investment in the Southwark Stands Together programme and the use of existing resources such as directorate budgets for learning and development. There are no specific resource implications arising from this report.

Legal implications

15. There are no specific legal implications arising from this report.

Financial implications

16. There are no specific financial implications arising from this report.

Consultation

17. There is no legal requirement to consult on the Cabinet's response to the recommendation made by the scrutiny commission.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**Director of Law and Governance**

18. Since there are no specific legal implications arising from this report, no legal concurrent is required.

Strategic Director of Finance and Governance

19. The Strategic Director of Finance and Governance notes the content of the report, including the resource and finance implications.

BACKGROUND DOCUMENTS

| Background Document | Held by and Contact |
|--|--|
| Report of the Education and Local Economy Scrutiny Commission: Ethnicity Pay Gap | Southwark Council Everton Roberts everton.roberts@southwark.gov.uk |
| Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s107252/Report%20Scrutiny%20report%20ethnic%20minority%20pay%20gap.pdf | |

APPENDICES

| No. | Title |
|------|-------|
| None | |

AUDIT TRAIL

| | | |
|---|--|--------------------------|
| Cabinet Member | Councillor Stephanie Cryan, Finance, Democracy and Digital | |
| Lead Officer | Althea Loderick, Chief Executive | |
| Report Author | Ben Plant, Director of HR and Organisational Development | |
| Version | Final | |
| Dated | 31 August 2022 | |
| Key Decision? | No | |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER | | |
| Officer Title | Comments Sought | Comments Included |
| Director of Law and Governance | Yes | Yes |
| Strategic Director of Finance and Governance | Yes | Yes |
| Cabinet Member | Yes | Yes |
| Date final report sent to Constitutional Team | | 31 August 2022 |

| | | | |
|------------------------------------|--------------------------------|--|---------------------------------|
| Item No. 16. | Classification: Open | Date: 13 September 2022 | Meeting Name: Cabinet |
| Report title: | | Response to the Report of the Education and Local Economy Scrutiny Commission: Town Centre Action Plan – Southwark Pioneers Fund | |
| Ward(s) or groups affected: | | All | |
| Cabinet Member: | | Cllr Martin Seaton, Jobs, Business and Town Centres | |

FOREWORD: COUNCILLOR MARTIN SEATON, CABINET MEMBER FOR JOBS, BUSINESS AND TOWN CENTRES

The introduction of the Pioneers Fund aims to release the potential of Southwark entrepreneurs and to bring together the support and finance that our residents need to grow a new wave of social and commercial enterprises. The aim of the Fund is to support people in turning their ideas into successful ventures.

The main objectives of the Pioneers Fund will be to increase the creation and survival of social and commercial enterprises, widen the diversity of residents who own and lead enterprises in Southwark, create good quality employment for Southwark residents and to generate wider social value across the Borough. Financial support in the form of grants will be made available in addition to advice and guidance for new start enterprises and businesses looking to grow.

I would like to thank the Education & Local Economy Scrutiny Commission for its work in contributing to the development of this programme to help ensure that our Southwark Pioneers can thrive and prosper.

RECOMMENDATION

1. That Cabinet notes the approach undertaken by the council in procuring providers for the Southwark Pioneers Fund (SPF) Start-up and Growth contracts.

BACKGROUND INFORMATION

2. In June 2022, a report from the Education and Local Economy Scrutiny Commission recommended to cabinet that the Council develops a framework of business support providers for both the Start-up and Growth programme to best serve the diversity of need amongst Southwark's entrepreneurs and social businesses. At the point that this recommendation was received, procurement of the Start-up and Growth contracts was almost complete, as agreed in the Delivery Strategy approved by the Cabinet Member for Jobs, Business and Town Centres in the IDM dated

February 2022.

3. The establishment of the SPF was originally driven by the 2018-22 Council Plan commitment to “establish an Innovation Fund to invest in Southwark’s entrepreneurs of the future”.
4. In order to deliver on this promise, the SPF was developed in 2018/19 with ambitions to generate inclusive growth by supporting the creation or scale-up of commercial and social enterprises (including revenue-raising charities). Cabinet approved the establishment of the SPF in June 2019 (see background documents).
5. The delivery of the SPF was regrettably interrupted by the coronavirus pandemic and the programme necessary paused. Following this enforced hiatus, there was clear merit in refreshing the SPF to reflect the significant changes to the economic climate brought about not only by the pandemic, but also Brexit, climate change, and the progress made across the borough to address inequalities as part of Southwark Stands Together.
6. With these factors in mind, the SPF has the following five key aims:
 - i. Increase the creation, survival and scale-up of commercial and social enterprises (including revenue-raising charities)
 - ii. Widen the diversity of people who own and lead enterprises in Southwark
 - iii. Reduce enterprises’ carbon emissions
 - iv. Create good quality employment for Southwark residents
 - v. Generate wider social value for the people of Southwark
7. A refreshed four-year SPF enterprise support programme was proposed and agreed by the Cabinet Member for Jobs, Business and Town Centres via IDM in February 2022 (see background papers). The SPF is particularly relevant to the Council Delivery Plan (2022-26) measures to:
 - Back Southwark residents to start more businesses, co-operatives and social enterprises
 - Provide extra support for entrepreneurs who are underrepresented in business, including women, Black, Asian, minority ethnic and disabled people
 - Grow a network of start-up hubs rooted in our communities.
8. To deliver these aims and ambitions, the SPF is split into the following four themes, delivered by four separate agreements:
 - a) **Start-up Programme** - Enterprises support for start-ups and aspiring entrepreneurs
 - b) **Growth Programme** - Enterprise support for later-stage enterprises focused on growth
 - c) **Green Programme** - Support for enterprises to decarbonise and reduce their environmental impact

- d) **Social and Community Programme** - support for social and community enterprises led by women or people from Black or minority ethnic backgrounds (delivered through the Local Access Programme (LAP)).

KEY ISSUES FOR CONSIDERATION

9. Several procurement routes for the Start-up and Growth programmes were considered to ensure that they effectively catered for the diversity of needs of local entrepreneurs and businesses.
10. Thorough soft market testing was undertaken with a range of local, regional and national business support providers but there was little appetite for segmenting either of the Start-up or Growth contracts by stages, sector or backgrounds.
11. Specific feedback from providers indicated that support can be relatively sector agnostic to a large extent as business issues/barriers are often universal while sharing challenges outside of your sector can be beneficial for entrepreneurs in order to gain a different perspective. Furthermore, there is scope within the SPF for a business to use grant funds to obtain specialist advice or services if necessary.
12. In terms of stages, there will be a collaborative agreement in place between the Start-up and Growth providers to ensure that a business is a 'right fit' for the most appropriate programme. The programmes have been designed to complement each other and have flexibility in the referrals process to cater for specific business needs and the stage they are at in their journey of growth.
13. The idea of segmenting the contracts via target groups was tested with entrepreneurs and although it received some favour, there was not sufficient support to justify taking this approach. However, there may be instances where specific cohorts are recruited to create synergies, e.g., an Accelerator programme specifically for black female-led enterprises.
14. A robust procurement exercise was recently undertaken, and bidders were able to successfully demonstrate an ability to provide relevant and effective support services to local wantpreneurs, start-ups, and growth business whatever specific stage, sector or group the owner/founder falls into. A total of twenty-three tenders were received: nine submissions for the Start-Up contract and fourteen for the Growth contract.
15. The Start-up Programme aims to provide support to residents who are interested in exploring self-employment but may not yet have a business idea, right the way through to those at an early stage of trading and want to sustain and develop their enterprise. Trampoline NH CIC (the successful provider) will deliver enterprise support to 240 early-stage enterprises, or residents seeking to start an enterprise. In addition, they will deliver 24 information, advice and guidance (IAG) sessions to 520 residents

interested in self-employment, or who want to learn more about what starting an enterprise involves. Support will be delivered via a mixture of open days based in Southwark's communities, one-to-one coaching, group seminars, masterclasses and networking events. Support will be available both in person and online to provide a flexible, accessible offer for residents and enterprises.

16. The aim of the Growth Programme is to support entrepreneurs who have been trading for some time and wish to develop their enterprise and achieve their growth ambitions. Hatch enterprise (the successful provider) will deliver enterprise support to 248 enterprises. 120 of these will participate in an accelerator programme designed for enterprises who want to plan their path for growth and scale. These enterprises will receive approximately 60 hours of support delivered via a mixture of one-to-one support, masterclasses, peer workshops, mentoring and a demo day. 128 enterprises who are either not yet ready for the accelerator or able to make the time commitment will receive between 3 and 12 hours of one-to-one support, masterclasses, networking events, peer round tables and mentoring. Support will be delivered both in person and virtually, with the accelerator content being delivered virtually to ensure accessibility.
17. Both providers are local or have a strong Southwark presence and have existing connections and relationships with organisations and communities in the borough. What differentiated these two bids from the other tenders received was the level of experience and ability to engage and provide support to the target demographics demonstrated in their respective submissions. Trampoline offers a grassroots approach to community engagement giving confidence that those most disadvantaged and under-represented in entrepreneurship will be targeted for support. Hatch offers holistic, wrap-around support to entrepreneurs, demonstrating that they understand the barriers faced by the target groups and giving them the additional support needed to help make their enterprises a success. Both providers' missions strongly align with the aims of the SPF and Southwark Stands Together (SST), giving confidence that support will go towards those who are most disadvantaged and under-represented within entrepreneurship.
18. Trampoline and Hatch are both SMEs, with Trampoline being a Black women-led micro CIC. Awarding to these providers will help build capacity in small, local providers and keep the council's funds within the local community.

Policy framework implications

19. This SPF was originally driven by the 2018-22 Council Plan commitment to "establish an Innovation Fund to invest in Southwark's entrepreneurs of the future". The essence of this commitment remains relevant and is encapsulated in the 2022-26 manifesto pledge:
 - *We will back Southwark residents to start more businesses, co-*

operatives and social enterprises, growing a network of start-up hubs rooted in our communities. With extra support for entrepreneurs who are underrepresented in business, including women, Black, Asian, minority ethnic and disabled people.

20. It also delivers against the following pledges:

- *We will create more opportunities for you when you leave school, including 250 paid internships for young people from disadvantaged backgrounds, 2,000 apprenticeships and free support to start a business*
- *We will keep more wealth within our community, ensuring the council and other big institutions in Southwark buy more goods and services from local businesses, cooperatives, social enterprises and charities, including Black, Asian, ethnic minority and women-led businesses and third sector organisations.*

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

Community impact statement

21. With due regard to the Public Sector Equality Duty, an equality analysis was carried out on the SPF during its initial development. The analysis identifies service users across the protected characteristics, with detail of the mitigating actions that could be incorporated into the service design. The EIA has been reviewed and revised to reflect the updated delivery strategy, the change in the economic climate, and more recent research.
22. More recently, the views of potential service users across the protected characteristics have been captured and incorporated into the development of the specifications. For example, a survey went out to over 11,000 businesses signed up to the council's business mailing list to inform the development of a comparable business support service. Of the respondents, 56% identified as a minority ethnic business, 44% as a woman-led business and 8% as a disabled-led business. Other channels have also been explored to further engage and incorporate the views of those groups most underrepresented in business – please see the consultation section for further details.
23. People from Black, Asian and minority ethnic backgrounds, women, young people and disabled people are underrepresented amongst entrepreneurs. A core aim of the SPF is to support these groups start up and grow their enterprises. Although the enterprise support is not limited to these groups, bidders were evaluated on how their service will target these communities to ensure support is tailored to their needs. Trampoline and Hatch scored very highly on these criteria which is what set them apart from the other bidders. Their approaches include:
- A grassroots approach to community engagement, utilising existing connections and relationships within Southwark's communities to engage with the target groups;

- Tailoring marketing and promotion work to under-represented groups to raise awareness about the support on offer;
 - Providing mentors with lived experience who can deal with the overlap of personal and business challenges
 - Offering a regular bursary to programme participants
 - Signposting to health and well-being services.
24. Additionally, ambitious equality and diversity targets have been set, with the aim of achieving high programme participation amongst the target demographics.
25. The council will ensure that the provider's practices are inclusive and require them to have an Equalities & Diversity policy in place.
26. Additionally, the Start-up provider will be required to develop links with Southwark Works, the Council's employment service. Southwark Works supports a combination of groups that are overrepresented in unemployment measures, including some of the most marginalised groups in the labour market. Through collaboration, the service seeks to widen employment opportunities, specifically to meet the needs of protected characteristic groups. This service will help Southwark Works fulfil this aim by promoting job opportunities created with the support of the Start-Up and Growth programmes.

Equalities (including socio-economic) impact statement

27. The SPF has been designed to be accessible to enterprises led by people from Black, Asian and minority ethnic backgrounds, women, disabled people and young people. The commissioning and monitoring processes will be used to ensure that this is the case across all four SPF themes and appropriate targets put in place in the Start-Up and Growth programmes initially.

Health impact statement

28. A core aim of the SPF is that it is accessible to those under-represented in business. This includes disabled people and people with additional health needs. Services under the SPF are designed to be fully accessible to people with additional health needs. Trampoline and Hatch both offer a mix of in-person and virtual delivery to ensure that their programmes are fully accessible. The support provided will be holistic, considering additional needs, focussing on building clients' confidence, and offering motivational support, helping them to set up survival plans/budgets and providing networking opportunities. Additionally, Hatch provides signposting to health and wellbeing services, mental health first aid training and providing mentors with lived experience who can provide holistic as well as business support.
29. It is anticipated that a long-term outcome of the programme will be that enterprise owners and aspiring entrepreneurs are able to start and grow their own enterprise, have greater control over their own working conditions due to

being self-employed and generate increased revenue. As a result, it is hoped that entrepreneurs have greater financial security and improved health and economic wellbeing.

Climate change implications

30. A key aim of the SPF is to support enterprises to reduce their carbon emissions. Although this will primarily be delivered via the Green Programme, the Start-Up and Growth programmes will also include performance measures around carbon reduction. Providers were required to set their own measures and targets in relation to environmental impact.
31. Trampoline will deliver ethical business & leadership masterclasses including topics such as the benefits of using local suppliers and sustainable materials. Hatch will integrate a Sustainability Toolkit into the SPF cohorts to support enterprises to build strategies to reduce their environmental impact.
32. Additional environmental measures such as the number of enterprises supported operating in the green sector will be discussed on contract award.
33. Much of the enterprise support will be delivered online, or at community hubs, reducing the need for clients to travel.

Resource implications

34. There are no direct staffing implications. Quarterly monitoring meetings 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.

Legal implications

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

Financial implications

36. There are no financial implications associated with this report.

Consultation

37. Since its inception in 2019, a considerable amount of consultation and research has been undertaken to help develop the model of the fund and the specification and procurement strategy for the enterprise support.
38. During the initial development of the fund, several enterprise support providers were consulted as part of an advisory group. Soft market testing informed the original enterprise support specification, and this learning was carried forward to inform the specifications for the current Start-Up and

Growth programmes. Further soft market testing has been undertaken to inform the development of the current specifications to ensure that the services continue to be relevant and meet the needs of enterprises in the current economic climate. It also helped develop suitable measures of success, realistic targets and provided up-to-date costs.

39. Findings from research and consultation with local enterprises have also been taken into account. Recommendations from a business survey conducted by an independent research organisation in autumn 2020, after the first national lockdown, have shaped the design of the fund. Additionally, a survey went out to over 11,000 businesses signed up to the council's business mailing list to inform the development of a comparable business support service. 367 responses were received which gave us an understanding of what types and topics of support are most relevant to local enterprises.
40. The views of participants of the Start-up in London Libraries (SiLL) programme were sought via an online survey, specifically to gain insight into any lessons learned so that these could be incorporated into the Start-Up programme which will replace SiLL. Although the response rate was not high, the comments received were very useful and helped shape the specification.
41. Additionally, in an effort to delve deeper into what we can do to ensure the services are accessible as possible, an online engagement forum was trialled. The forum asked more specific, open questions with the aim of gaining more detailed answers and inviting a more in-depth conversation with people from the target demographics. It was promoted to enterprises, utilising networks expanded through the Southwark Stands Together programme. Some ideas presented on the forum received some feedback and support, however unfortunately the response rate was not very high.
42. Research and consultation from the early development of the SPF during 2018-19 has also been included in the redevelopment of the fund. For example, views from the original SPF advisory group, a needs analysis undertaken by the Young Foundation and the results from a survey to businesses via the Consultation Hub.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

43. This report confirms to Cabinet the approach that has been undertaken to procuring providers for the Southwark Pioneers Fund (SPF) Start-up and Growth contracts. Paragraphs 9-18 summarise the process that was undertaken and contracts awarded.
44. Full details of the procurement process and evaluation that was undertaken are detailed in the report, as well as in the gateway reports, included within

the background documents. These confirm that the process processes followed were in line with the council's Contract Standing Orders.

Strategic Director of Finance and Governance (CE22/023)

45. The strategic director of finance and governance notes that there are no financial implications arising from this report.
46. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

BACKGROUND DOCUMENTS

| Background Papers | Held At | Contact |
|--|--------------------|------------------------------|
| Southwark Pioneers Fund: Establishment (July 2019) Report and background documents at item 13 | Local Economy Team | Matt Little 020 7525 0388 |
| Southwark Pioneers Fund - Delivery Strategy (February 2022) https://moderngov.southwark.gov.uk/mgDecisionDetails.aspx?Id=50028108&Opt=1 | Local Economy Team | Matt Little 020 7525 0388 |

APPENDICES

| No. | Title |
|------------|---------------|
| Appendix 1 | SPF Gateway 1 |
| Appendix 2 | SPF Gateway 2 |

AUDIT TRAIL

| | | |
|---|---|--------------------------|
| Cabinet Member | Councillor Martin Seaton, Jobs, Business and Town Centres | |
| Lead Officer | Danny Edwards, Head of Economy | |
| Report Author | Matt Little, Principal Strategy Officer | |
| Version | Final | |
| Dated | 1 September 2022 | |
| Key Decision? | No | |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER | | |
| Officer Title | Comments Sought | Comments Included |
| Director of Law and Governance | Yes | No |
| Strategic Director of Finance and Governance | Yes | Yes |
| Head of Procurement | Yes | Yes |
| Cabinet Member | Yes | Yes |
| Date final report sent to Constitutional Team | | 1 September 2022 |

55
APPENDIX 1

| | | | |
|------------------------------------|--------------------------------|--|--|
| Item No. | Classification: Open | Date: 8 March 2022 | Meeting Name: Director of Strategy and Economy |
| Report title: | | Gateway 1 Procurement Strategy Approval Southwark Pioneers Fund: Start-Up and Growth Enterprise Support Programmes | |
| Ward(s) or groups affected: | | Businesses, enterprises and trading charities in all wards | |
| From: | | Libby Dunstan, Senior Strategy Officer | |

RECOMMENDATION (S)

1. That the Director of Strategy and Economy approves the procurement strategy outlined in this report for the Start-Up and Growth enterprise support contracts of the Southwark Pioneers Fund (SPF). The maximum combined value of the two contracts is £850,000, for a maximum period of 4 years, commencing June 2022 (for a full breakdown see paragraph 16).

BACKGROUND INFORMATION

2. The SPF was originally developed in 2019 to generate inclusive growth by supporting the creation or scale-up of commercial and social enterprises (including revenue-raising charities). The underpinning aims of the SPF were to deliver against the 2018-2022 council plan theme of a 'full employment borough', with a commitment to: 'Establish an Innovation Fund to invest in Southwark's entrepreneurs of the future.' To meet this commitment, Cabinet approved the establishment of the Southwark Pioneers Fund in June 2019 (see background documents).
3. The core aims of the Southwark Pioneers Fund were to:
 - Widen the diversity of people who own and lead businesses in Southwark;
 - Increase good quality employment opportunities; and to
 - Support Southwark enterprises to generate wider social or environmental value.
4. The programme had a budget of £2million and consisted of three elements: a grants programme, a loans programme and an enterprise support programme. In autumn 2019 the first round of grants funding was launched, which awarded £49,957 to ten businesses. A commissioning exercise for a business support provider was also at the final stage (pending award notice) when covid-19 struck and the remaining £1.95m of SPF was necessarily repurposed into a [Business Hardship Fund](#) in April 2020.
5. In February 2021, Council Assembly resolved to reinstate the SPF at a cost of £950,000, in order to support the borough's economic renewal post-Covid. Subsequent to this, the full fund of £1.95m was reinstated with the Business

Hardship Fund expenditure covered instead through Covid-19 emergency funding.

6. Since the original inception of the SPF in 2019, the economic climate has changed significantly. The economy has been hit hard by Covid-19 and the impact on some local enterprises has been catastrophic. As we emerge from the pandemic, it is particularly important that we support these local enterprises to build resilience, sustain and grow. Furthermore, the pandemic has significantly impacted the labour market and competition for jobs is high. Many people are now considering self-employment so it is important that we support them to decide whether self-employment is right for them and equip them with the skills needed to turn their business idea into reality.
7. The pandemic has not affected everyone equally. Black, Asian and minority ethnic communities¹, women, disabled people and young people have been disproportionately impacted. People from these groups can also face barriers to starting up and growing their own enterprises due to difficulty accessing funding, business support and business networks. The murder of George Floyd and the Black Lives Matter movement sadly further highlighted the racism and injustice that people from Black, Asian and minority ethnic backgrounds face. Southwark Council is committed to tackling inequality and injustice so it is essential that the SPF addresses the inequalities experienced by people in business.
8. In addition to the pandemic and widespread inequality, communities are also facing the climate crisis. Southwark Council has declared a climate emergency and set a target to make Southwark carbon neutral by 2030. Businesses and other enterprises contribute significantly to the borough's carbon emissions, so if Southwark is to play its role in tackling climate change, enterprises need to cut carbon emissions whatever their sector, size or stage of growth. The SPF will therefore need to support enterprises to understand their carbon footprint, identify where reductions can be made and support them to implement the steps needed to cut emissions.
9. With the pandemic, our commitment to tackling inequality and injustice and the climate emergency in mind, the SPF has the following five key aims:
 - Increase the creation, survival and scale-up of commercial and social enterprises (including revenue-raising charities)
 - Widen the diversity of people who own and lead enterprises in Southwark
 - Reduce enterprises' carbon emissions
 - Create good quality employment for Southwark residents
 - Generate wider social value for the people of Southwark

Delivery model and budget

¹ Throughout this tender documentation, unless stated otherwise, we use the term 'Black, Asian, and Minority Ethnic' as an umbrella term to refer to all groups who fall under this umbrella. However we acknowledge that the term does not capture the individual experiences of all people, races and ethnicities in these groups.

10. To reflect these aims and ambitions, the four-year programme of enterprise support will be split into four themes, delivered by four separate agreements:
 - I. Enterprise support for start-ups and aspiring entrepreneurs (Start-up Programme)
 - II. Enterprise support for later-stage enterprises focussed on growth (Growth Programme)
 - III. Support for enterprises to decarbonise and reduce their environmental impact (Green Programme)
 - IV. Business support for social and community enterprises led by women or people from Black or minority ethnic backgrounds (delivered through the Local Access Programme (LAP))
11. Ensuring that the support is accessible to enterprises led by people from Black, Asian and minority ethnic backgrounds, women, disabled people and young people is integral across all four themes.
12. The reinstated SPF now consists of both a business support and grants budget. Indicatively, the total budget for business support is £1,285,000 and £665,000 for grants.
13. The grants budget will be available only to enterprises accessing the enterprise support services. The council will be the grant budget holder and administer the grant payments, however the enterprise support providers delivering the Start-Up and Growth contracts will take responsibility for assessing the enterprises' needs and whether a grant award would be justified according to the criteria set out by the council.
14. Loans will no longer be offered under the fund as originally planned when the SPF was first developed. This is due to the urgent need for non-repayable finance and that many competitive loan funds are already available in response to the pandemic.
15. The procurement of the four contracts will be staggered. The Start-Up and Growth contracts will be commissioned at the same time and delivered over the same time period. It is anticipated that the Green Programme will be commissioned in spring 2022 to begin delivering during summer 2022. The Southwark Local Access Programme (LAP), which is a partnership between local and national organisations based in the borough, is anticipated to deliver the support for charities and social enterprises.
16. The table below summarises the indicative budgets and timeframes for each of the contracts.

| Contract | Business Support budget (£) | Grants budget (£) | Total budget (£) | Contract start | Contract end |
|--------------|-----------------------------|-------------------|------------------|----------------|--------------|
| Start-up | 300,000 | 115,000 | 415,000 | June 2022 | June 2026 |
| Growth | 550,000 | 185,000 | 735,000 | June 2022 | June 2026 |
| Green | 200,000 | 100,000 | 300,000 | Q3 2022 | TBC |
| LAP | TBC | TBC | 500,000 | TBC | TBC |
| Total | 1,050,000 | 400,000 | 1,950,000 | | |

17. This report outlines the procurement strategy for the Start-Up and Growth enterprise support contracts. The Green contract will be subject to a separate gateway report. The council is working with the LAP to agree the most appropriate governance framework for the social enterprise contract. The remainder of this report is concerned with the Start-Up and Growth contracts.

Summary of the business case/justification for the procurement

18. In June 2019 Cabinet approved the establishment of the SPF. The fund has since been developed to ensure that it is relevant to the current economic climate. These developments were approved in February 2022 via an IDM report approved by the Cabinet Member for Business, Jobs and Town Centres. A summary of the business case for the Fund is given in the background section above, and within the 2019 cabinet report and the 2022 IDM report (see background documents and Appendix 1).

19. To help develop the fund and business support specification, the council has undertaken a range of local research, analysis and consultation, further details of which are noted in the market considerations and consultation sections below.

Market considerations

20. Since its inception in 2019, a considerable amount of consultation and research has been undertaken to help develop the model of the fund and the specification and procurement strategy for the enterprise support.

21. During the initial development of the fund, a number of business support providers were consulted as part of an advisory group. Soft market testing informed the original business support specification and this learning was carried forward to inform the specifications for the current Start-Up and Growth programmes. Further soft market testing has been undertaken to inform the development of the current specifications to ensure that the services continue to be relevant and meet the needs of enterprises in the current economic climate. It also helped develop suitable measures of success, realistic targets and provided up to date costs.

22. Findings from research and consultation with local enterprises have also been taken into account. Recommendations from a business survey conducted by an independent research organisation in autumn 2020, after the first national lockdown, have shaped the design of the fund. Additionally, a survey went out to over 11,000 businesses signed up to the council's business mailing list to inform the development of a comparable business support service. 367 responses were received which gives us an understanding of what types and topics of support are most relevant to local businesses.
23. Whilst the enterprise support specifications might attract bidders at a national level, a key requirement of the providers will be a thorough understanding of the needs of local enterprises and the ability to engage them. The providers will be required to offer a full range of services to meet the varying needs of enterprises of different types and stages across the entire borough. This will likely require the providers to collaborate with existing services, either as a consortium, via sub-contracting or through service level agreements. It is therefore likely that this will limit the pool of bidders to those with a local presence and connections.
24. Of the enterprise support providers consulted, it is anticipated that good quality bids will be received from at least two providers for each contract.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

25.

| Option | Outline | Comments |
|---|---|--|
| 1. Do nothing | Take no further action | This option is not recommended as it would fail to deliver against the specific aims of the Fund and would run counter to the actions agreed in the report to Cabinet. |
| 2. Provide the services in house | Deliver business support using existing resources in the council | Delivering this type of business support is a specialist area that is not covered by existing resources within the council. |
| 3. Collaborate with other Local Authorities | Commission the business support in partnership with other Local Authorities and deliver the support across additional London boroughs | This option is not recommended due to time constraints and the need to align the business support with the financial support elements of the Fund, which are available to Southwark businesses only. |

| | | |
|---|--|--|
| 4. Combine the services and commission one large contract | Award one contract of £850K to one provider | By commissioning the contracts separately we ensure a greater diversity of providers and share the contract value more widely across the business support sector. Combining the services into one would cause capacity issues for one provider to deliver. |
| 5. Segment the services by target group as opposed to stage of enterprise | Commission separate services for specific demographic groups, as opposed to two services for start-ups and growth stage enterprises e.g. support for female founders or Black businesses | There are many target groups and there is not a clean way to divide the demographics in a way which allows a viable service. E.g. recent consultation showed that a service for disabled entrepreneurs would likely have less clients. There would also be significant resource implications on the contract management. When this idea was tested with entrepreneurs, although it received some favour, there was not sufficient support to justify taking this approach. |
| 6. Procure the services through an open tender process (recommended) | Go out to tender through open procedures | As the value of these contracts is above the Public Contract Regulations threshold for services the council needs to competitively tender its legislative requirements. This option enables the services to launch in the required timeframe and provides the relevant expertise needed to meet the needs of local businesses. |

Proposed procurement route

Option 6 – Tendering of the contract (open procedure)

26. Although a number of procurement routes have been considered, it is recommended that the services are commissioned as two separate contracts

(Start-Up and Growth) and that these are both commissioned via open procedures. This approach maximises the diversity of providers bidding for the services.

27. By commissioning the Start-Up and Growth contracts separately, as opposed to commissioning both as one contract, it shares the funds more widely across the business support sector, whilst maintaining viable sizes of contract. Furthermore, it will be stipulated that a supplier can only be a lead tenderer on one of either the Start-Up or Growth contracts. As a result two different lead suppliers will be appointed, one for each contract.

28. The available budgets of £300,000 for the Start-Up contract and £550,000 for the Growth contract are fixed sums, the totality of which will go to the respective suppliers to deliver enterprise support. The application processes will require tenderers to demonstrate what they can achieve with the budgets. The respective grants budgets (£115,000 for Start-Up and £185,000 for Growth) will be held by the council as set out in paragraph 13.

29. Both contracts will be for a period of 2 years, with the option to extend for a further two years according to the timeframe set out within the procurement project plan.

Identified risks for the procurement

30.

| No. | Risk | Risk Level | Mitigating Action |
|----------------------------|--|------------|---|
| Procurement process | | | |
| 1. | Delays in procurement timetable | Medium | Project Manager regularly checking in with Procurement Advisor to monitor timelines, process and troubleshoot issues. Local Economy team are aware of tight timescales and are on hand to help where possible and make decisions quickly. Advance warning will be given to key stakeholders such as members of the DCRB so that they can manage their time to meet deadlines. |
| 2. | Not enough high quality tenders received | Medium | The specifications have been developed using advice from local providers so should incite high quality bids. Knowledge of the existing market will be applied to ensure that, in addition to |

| | | | |
|-------------------------|------------------------------------|--------|---|
| | | | <p>advertising the opportunity on Pro Contract, it will be targeted at known providers across the region.</p> <p>Business support providers have been engaged throughout the soft market testing.</p> <p>Procurement timetable allows 6 weeks to submit high quality bids.</p> |
| Service delivery | | | |
| 3. | Limited mobilisation time | Medium | <p>Providers were consulted with to advise on mobilisation time. Although the mobilisation period is short, many providers can meet this.</p> <p>A staggered approach to mobilisation could be taken so that parts of the service commence within the time period.</p> |
| 4. | Underperformance – service quality | Medium | <p>The specification has been developed using advice from local providers and the results of the business survey so the requirements should be realistic and achievable.</p> <p>Continuous improvement will be encouraged through a flexible approach to monitoring and service delivery. This will enable the provider and council to monitor and resolve any issues at regular intervals.</p> |
| 5. | Underperformance - cost | Medium | <p>The specification has been developed using advice from local providers so targets should be realistic and achievable.</p> <p>Performance related payments will provide an incentive for the contractor to deliver against key milestones.</p> <p>The final contract will include a clause allowing the council to</p> |

| | | | |
|----|----------------------------|-----|--|
| | | | terminate the contract at any time. |
| 6. | Provider becomes insolvent | Low | In order to be eligible, bidders will be required to meet standard financial criteria and pass standard due diligence checks providing assurance of secure finances. |

Key /Non Key decisions

31. This report deals with a non-key decision.

Policy implications

32. This procurement exercise was originally driven by the 2018-22 Council Plan commitment to “establish an Innovation Fund to invest in the Southwark’s entrepreneurs of the future”. Although the Council Plan was refreshed in response to the pandemic, the essence of this commitment remains relevant and is encapsulated in the 2020-22 Borough Plan commitment:

Back new and growing green business and social enterprises, with help to access business support, affordable workspace and finance to help to deliver the new infrastructure Southwark needs

33. It also delivers against the following commitments in the borough plan:

- Provide effective business support to Black, Asian and minority ethnic-led businesses
- Help Southwark's high streets to be thriving and vibrant, seeking to achieve full occupancy and encourage residents to shop local
- Return employment levels to where they were before COVID-19
- Create new quality apprenticeships and internships

34. The Economic Renewal Plan pledges to “continue to support businesses to deal with the immediate impact of the crisis [the coronavirus pandemic] and plan for a comprehensive programme of assistance to support inclusive business growth.” This procurement also works towards delivering this pledge.

Procurement project plan (Non Key decisions)

| Activity | Complete by: |
|--|--------------|
| DCRB Review Gateway 1: | 18/02/2022 |
| Brief relevant cabinet member (over £100k) | 18/02/2022 |
| Approval of Gateway 1: Procurement strategy report | 10/03/2022 |
| Completion of tender documentation | 11/03/2022 |

| Activity | Complete by: |
|--|---------------------|
| Publication of Find a Tender Service Notice | 11/03/2022 |
| Publication of Opportunity on Contracts Finder | 11/03/2022 |
| Invitation to tender | 18/03/2022 |
| Closing date for return of tenders | 29/04/2022 |
| Completion of clarification meetings/presentations/evaluation interviews | 20/05/2022 |
| Completion of evaluation of tenders | 27/05/2022 |
| DCRB Review Gateway 2: Contract award report | 03/06/2022 |
| Approval of Gateway 2: Contract Award Report | 10/06/2022 |
| Debrief Notice and Standstill Period (if applicable) | 24/06/2022 |
| Contract award | 27/06/2022 |
| Add to Contract Register | 27/06/2022 |
| Place award notice in Find a Tender Service | 27/06/2022 |
| Place award notice on Contracts Finder | 27/06/2022 |
| Contract start | 30/06/2022 |
| Initial Contract completion date | 28/06/2024 |
| Contract completion date – if extension(s) exercised | 26/06/2026 |

TUPE/Pensions implications

35. This is a new service which did not exist prior to this procurement. Therefore there will be no TUPE implications.

Development of the tender documentation

36. 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 and pricing documents has been informed by soft market testing with potential local providers and the results from the survey to local businesses.

Advertising the contract

37. The contract will be advertised through the Find a Tender Service as nationally as required by the Public Contract Regulations 2015. Providers also involved in the soft market testing will also be notified, thus targeting those who operate locally and who have been engaged from the outset.

Evaluation

38. As both the Start-Up and Growth contracts are very similar, they will be assessed using very similar evaluation methodologies, both weighted at 70% quality, 30% value for money. This is because there are fixed budgets for the services so we anticipate proposals to be at or around these figures. Quality is paramount to the services; however where proposals offer to work with a larger number of businesses, our framework needs to take this benefit into account.

Quality

39. The quality criteria for the tender evaluation methodologies are being developed alongside the specifications and will likely include criteria such as:

- Expertise in delivering high quality enterprise support
- Ability to engage enterprises led by people from diverse backgrounds
- Knowledge of the needs of local enterprises
- A robust delivery model and ability to provide support to a wide range of enterprises of different types, stages and locations
- Partnership working

Value for Money

40. The value for money criteria for the tender evaluation methodologies are being developed alongside the specifications and will likely assess how confident the council is in the tenderers' cost breakdowns and whether they offer any added value. This will allow us to compare tenderers' costs in relation to quality. This framework will be applied consistently across all tenders.

41. Details of the tender evaluation process will be provided in the tender documents. Tenders will be scored by a panel of officers within the Corporate Strategy division.

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

Community impact statement

42. With due regard to the Public Sector Equality Duty, an equality analysis was carried out on the SPF during its initial development. The analysis identifies service users across the protected characteristics, with detail of the mitigating actions that could be incorporated into the service design. The EIA has been reviewed and revised to reflect the updated delivery strategy, the change in the economic climate, and more recent research (see Appendix 2).

43. More recently, the views of potential service users across the protected characteristics have been captured and incorporated into the development of the specifications. For example, a survey went out to over 11,000 businesses signed up to the council's business mailing list to inform the development of a comparable business support service. Of the respondents, 56% identified as a minority ethnic business, 44% as a woman-led business and 8% as a

disabled-led business. Other channels have also been explored to further engage and incorporate the views of those groups most underrepresented in business – please see the consultation section for further details.

44. People from Black, Asian and minority ethnic backgrounds, women, young people and disabled people are underrepresented amongst entrepreneurs. A core aim of the SPF is to support these groups start up and grow their enterprises. Although the enterprise support is not limited to these groups, bidders will be evaluated on how their service will target these communities to ensure support is tailored to their needs. This could include accessible role models through mentoring and tailoring marketing and promotion work to under-represented groups to raise awareness about the support on offer. Additionally, ambitious equality and diversity targets will be set, with the aim of achieving high programme participation amongst the target demographics.
45. When finalising the contract, the council will ensure that the provider's practices are inclusive and require them to have an Equalities & Diversity policy in place.
46. Additionally the provider will be required to develop links with Southwark Works, the Council's employment service. Southwark Works supports a combination of groups that are overrepresented in unemployment measures, including some of the most marginalised groups in the labour market. Through collaboration, the service seeks to widen employment opportunities, specifically to meet the needs of protected characteristic groups. This service will help Southwark Works fulfil this aim by promoting job opportunities created with the support of the Start-Up and Growth programmes.

Equalities (including socio-economic) impact statement

47. The SPF has been designed to be accessible to enterprises led by people from Black, Asian and minority ethnic backgrounds, women, disabled people and young people. The commissioning and monitoring processes will be used to ensure that this is the case across all four SPF themes and appropriate targets put in place in the Start-Up and Growth programmes initially. For further information, see the Background Information section, community impact statement and economic and social considerations.

Health impact statement

48. A core aim of the SPF is that it is accessible to those under-represented in business. This includes disabled people and people with additional health needs. Services under the SPF are designed to be fully accessible to people with additional health needs. For example, materials should be available in large print and carers and sign language interpreters should be able to attend events and workshops. Parts of the service could be available online to give enterprise owners flexibility over when they access the service.
49. It is anticipated that a long term outcome of the programme will be that enterprise owners and aspiring entrepreneurs are able to start and grow their

own enterprise, have greater control over their own working conditions due to being self-employed and generate increased revenue. As a result, it is hoped that entrepreneurs have greater financial security and improved health and economic wellbeing.

Climate change implications

50. A key aim of the SPF is for businesses to decrease their environmental impact. The commissioning and monitoring processes will be used to ensure this is the case across all programmes. For further information see the Background Information section and environmental / sustainability considerations.

Social Value considerations

51. 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 well being 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

52. Procurement of the enterprise support will be open to providers of all sizes, including small local providers. It is not essential that a single provider be expected to deliver the service in totality due to the wide range of specialisms of different providers and the varied needs of businesses. Partnership working is therefore encouraged to build capacity amongst smaller local providers. It is therefore anticipated that local providers will be able to receive some of the contract value either via subcontracting or by submitting a joint bid with other providers.

53. The procurement will be advertised on ProContract and open to all types of providers, including social enterprises and the voluntary sector. Local providers involved in the soft market testing will be encouraged to apply.

54. Providers will be encouraged to advertise any posts (including apprenticeships) funded by this contract with Southwark Works – therefore creating more employment opportunities for Southwark residents.

55. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. It is expected that payment of the LLW by the successful contractor for this contract will result in quality improvements for the council. These should include a higher calibre of multi-skilled employees that will contribute to the provision of the services within Southwark, more experienced staff, or continuity of service provision resulting from reduced turnover of staff and will

provide best value for the council. It is therefore considered appropriate for the payment of LLW to be required. The successful contractor will be expected to meet LLW requirements and contract conditions requiring the payment of LLW 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 LLW. Following award, these quality improvements and any cost implications will be monitored as part of the contract review process.

56. It is envisaged that enterprises in receipt of support will also gain an understanding of the local employment landscape and supply chains, consequently drawing on these resources as their business grows.
57. As the enterprise support will primarily be targeting micro businesses, we anticipate that a long term outcome of the programme will be that these businesses become more resilient and are able to generate increased revenue for those connected to them. Additionally, a key aspect of the enterprise support will be to support businesses to apply for funding and increase their income streams in order to self-sustain and grow, consequently benefiting Southwark's local economy.

Social considerations

58. Social value objectives are fundamental to the SPF. The following social value benefits will be delivered directly through the enterprise support:
59. Southwark residents will be supported to start-up and grow their enterprise, in turn stimulating the local SME market, and potentially leading to job and apprenticeship safeguarding or creation.
60. The programmes will target Black, Asian and minority ethnic communities, women, young people and disabled people to ensure support is tailored to the needs of those groups underrepresented amongst entrepreneurs.
61. Employers will receive training/ awareness of good employment principles, the London Living Wage and other responsible business practices.
62. Enterprises addressing issues outlined in the Southwark Council Plan commitments and/ or Southwark Council Common purpose outcomes will be supported to generate social value.

Environmental/Sustainability considerations

63. A key aim of the SPF is to support enterprises to reduce their carbon emissions. Although this will primarily be delivered via the Green Programme, the Start-Up and Growth programmes will also include performance measures around carbon reduction. Providers will be required to set their own measures and targets and these will be used to assess additional value in the tender evaluation process.

64. It is anticipated that this type of support will be well-received amongst service-users, as over 60% of respondents to the business survey reported that they would be 'quite likely' to access support to make their business more environmentally friendly.
65. Additionally, providers will be required to demonstrate how they deliver the services with minimal impact on the environment, and how any impact will be mitigated.

Plans for the monitoring and management of the contract

66. 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.
67. The contract will be managed and monitored by officers within the Local Economy Team. Appropriate contract monitoring arrangements will be put in place, in line with council procedures and established processes including:
- Regular meetings with the contractor's appointed project managers to review and manage performance against agreed targets
 - Regular review of costs against those agreed in the tender
 - Management and oversight of ongoing risks and performance related payments following the completion of project phases
 - Reporting on contract performance in line with the Contract Standing Orders.
68. The payment model is being developed alongside the specification but is likely to include quarterly payments in arrears. There may also be some up front costs or the initial quarterly payment made in advance. This will be agreed in discussion with the provider at the contract award stage.
69. The contractor will be required to monitor outputs beyond the duration of the contract. This will be written into the contract with a mechanism to claw back costs should this requirement not be met.
70. The contract will also include a clause allowing the council to terminate the contract at any time.

Staffing/procurement implications

71. The procurement will be managed by an officer from the Local Economy team. The evaluation panel will be made up of officers from the Local Economy team and will be planned into their workloads in advance. The

project manager will also be the point of contact with the contractors and monitoring officer once the contracts are awarded.

Financial implications

72. A contract of up to £300,000 will be awarded for the Start-Up Programme, and a contract of up to £550,000 will be awarded for the Growth Programme. Both programmes will deliver from June 2022 to June 2026. All values of exclusive of VAT.

73. Both programmes also have a grants budget: £115,000 for the Start-Up Programme and £185,000 for the Growth Programme. However, the council will be the grant budget holder and administer the grant payments. The enterprise support providers will take responsibility for assessing the enterprises' needs and will recommend to the council whether a grant award would be justified.

74. In June 2019 Cabinet approved the establishment of the SPF including the resources to commission a business support provider. Since the SPF was reinstated, the Cabinet Member for Jobs, Business and Town Centres approved the updated delivery model and redistribution of funds via an IDM report in February 2022.

75. From information gathered through the soft market testing, it is expected that approximately 200 enterprises will be supported by the Start-Up Programme and 150 by the Growth Programme.

Legal implications

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

Consultation

77. In addition to the consultations outlined in the 'Market Considerations' section and Community Impact Statement, two other channels were utilised to engage and incorporate the views of people from the SPF target demographics. The views of participants of the Start-up in London Libraries (SiLL) programme were sought via an online survey, specifically to gain insight into any lessons learned so that these could be incorporated into the Start-Up programme which will replace SiLL. Although the response rate was not high, the comments received were very useful and have helped shape the specification.

78. Additionally, in an effort to delve deeper into what we can do to ensure the services are accessible as possible, an online engagement forum was trialled. The forum asked more specific, open questions with the aim of gaining more detailed answers and inviting a more in depth conversation with people from the target demographics. It was promoted to enterprises, utilising networks expanded through the Southwark Stands Together programme. Some ideas presented on the forum received some feedback and support, however unfortunately the response rate was not very high.

79. Research and consultation from the early development of the SPF during 2018-19 has also been included in the redevelopment of the fund. For example, views from the original SPF advisory group, a needs analysis undertaken by the Young Foundation and the results from a survey to businesses via the Consultation Hub.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

80. This report seeks approval from the Director of Strategy and Economy approves the procurement strategy outlined in this report for the Start-Up and Growth enterprise support contracts of the Southwark Pioneers Fund (SPF). The maximum contract is £850k for a period of 4 years, commencing June 2022.

81. The Director of Strategy and Economy notes that details of the procurement process is in paragraphs 25 to 29, risks are detailed in paragraph 30, the impact on equalities, health and climate change are detailed in paragraphs 47 to 50, confirmation of the payment of LLW is detailed in paragraph 55, social value consideration are detailed in paragraphs 58 to 62, management and monitoring of the contract is detailed in paragraphs 66 to 70.

Director of Law and Governance

82. This report seeks the approval of the Director of Strategy and Economy to the procurement strategy for the Start-Up and Growth Enterprise support contracts of the Southwark Pioneers Fund (SPF) as further detailed in paragraph 1. By virtue of contract standing order 6.4.3(e) the decision may be taken by the relevant Chief Officer, or under their delegated authority after consideration of the report by DCRB.

83. The nature and value of these services are such that they are subject to the light touch regime (LTR) tendering requirements of the Public Contract Regulations 2015 (PCR 2015). As noted in paragraph 25, the intention is to undertake an open tender process advertised through the Find a Tender Service which satisfied the PCR 2015 requirements.

84. The Director's attention is drawn to the Public Sector Equality duty (PSED General Duty) under the Equality Act 2010, which requires public bodies to have regard, when making decisions, to the need to eliminate discrimination, advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. The Director is specifically referred to the community, equalities (including socio-economic) and health impacts at paragraphs 39-47 setting out the consideration that has been given to equalities issues which should be considered when approving this procurement strategy.

Strategic Director of Finance and Governance (CE21/079)

85. This report is requesting Director of Strategy and Economy to approve the procurement strategy outlined in this report for the Start-Up and Growth enterprise support contracts of the Southwark Pioneers Fund (SPF). The maximum combined value of the two contracts is £850,000, for a maximum period of 4 years, commencing June 2022. Full details and background are contained within the main body of the report.

86. The strategic director of finance and governance notes that the total value of the recommendations of this report will be contained within the £1.95m of Southwark Pioneers Fund.

87. It is noted that all staffing and other costs connected with this report will be contained within existing departmental revenue budgets.

PART A – TO BE COMPLETED FOR ALL DELEGATED DECISIONS

Under the powers delegated to me in accordance with the council's Contract Standing Orders, I authorise action in accordance with the recommendation(s) contained in the above report (and as otherwise recorded in Part B below).

Signature

Date.....

Designation

PART B – TO BE COMPLETED BY THE DECISION TAKER FOR:

- 1) All key decisions taken by officers
- 2) Any non-key decisions that are sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available (see 'FOR DELEGATED DECISIONS' section of the guidance).

| 1. DECISION(S) |
|--|
| As set out in the recommendations of the report. |

2. REASONS FOR DECISION

As set out in the report.

3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED BY THE OFFICER WHEN MAKING THE DECISION

As set out in the report.

4. ANY CONFLICT OF INTEREST DECLARED BY ANY CABINET MEMBER WHO IS CONSULTED BY THE OFFICER WHICH RELATES TO THIS DECISION *

None declared.

* Contract standing order 6.4.1 states that for contracts with an Estimated Contract Value of £100,000 or more, the lead contract officer (LCO) must consult with the relevant cabinet member before a procurement strategy is implemented.

5. NOTE OF ANY DISPENSATION GRANTED BY THE MONITORING OFFICER, IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST

If a decision taker or cabinet member is unsure as to whether there is a conflict of interest they should contact the legal governance team for advice.

N/A

6. DECLARATION ON CONFLICTS OF INTERESTS

I declare that I was informed of no conflicts of interests.

7. CONSIDERATION GIVEN TO WHETHER, AS A NON-KEY DECISION, THIS SHOULD BE FORWARDED TO THE CONSTITUTIONAL TEAM FOR PUBLICATION IN ACCORDANCE WITH REGULATION 13(4)*

The decision taker should consider whether although a non-key decision, the decision is sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available. Where there is any doubt, having considered the importance and/or sensitivity of a decision, it should be deemed that Regulation 13(4) would apply.

I do not consider that the decision be made available for publication under Regulation 13(4).*

* Under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the council is required to put in place a scheme for recording and publishing some officer executive decisions. This process is sometimes referred to as "Regulation 13(4)".

BACKGROUND DOCUMENTS

| Background Documents | | | Held At | Contact |
|--|--|--|---|---|
| Title of document(s) Southwark Pioneers Fund: Establishment | | | Title of department / unit Address Local Economy Team | Name Libby Dunstan Libby.dunstan@southwark.gov.uk |
| Link: https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=6413&Ver=4 | | | | |
| Title of document(s) | | | Title of department / unit Address | Name Phone number |
| Link: (Insert hyperlink here) | | | | |

APPENDICES

| No | Title |
|------------|---|
| Appendix 1 | IDM – Southwark Pioneers Fund Delivery Strategy |
| Appendix 2 | Southwark Pioneers Fund Updated Equalities Analysis |
| Appendix 3 | Insert title of document |
| Appendix 4 | Insert title of document |
| Appendix 5 | Insert title of document |
| Appendix 6 | Insert title of document |

AUDIT TRAIL

| | | |
|---|---|--------------------------|
| Lead Officer | Stephen Gaskell, Director of Strategy and Economy | |
| Report Author | Libby Dunstan, Senior Strategy Officer | |
| Version | Final | |
| Dated | 8 March 2022 | |
| Key Decision? | No | |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER | | |
| Officer Title | Comments Sought | Comments included |
| 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) | No | No |
| Cabinet Member | Yes | No |
| Contract Review Boards | | |
| Departmental Contract Review Board | Yes | Yes |
| Corporate Contract Review Board | No | No |
| Cabinet Member | Yes/No | Yes/No |
| Date final report sent to Constitutional /Community Council/Scrutiny Team | | N/A |

| | | | |
|------------------------------------|----------------------------------|--|--|
| Item No. | Classification: Closed | Date: 09/06/2022 | Meeting Name: Director of Strategy and Economy |
| Report title: | | Gateway 2 - Contract Award Approval Southwark Pioneers Fund: Start-Up and Growth Enterprise Support Programmes | |
| Ward(s) or groups affected: | | Businesses, enterprises and trading charities in all wards | |
| From: | | Libby Dunstan, Senior Strategy Officer | |

Not for publication by virtue of category 3 paragraph 10.4 of the Access to Information Procedure Rules of the Southwark Constitution

RECOMMENDATION(S)

1. That the Director of Strategy and Economy approves the award of the Southwark Pioneers Fund (SPF) Start-Up contract to Trampoline NH CIC for the maximum value of £300,000 (as further detailed in paragraph 77) for a maximum period of four years commencing July 2022.
2. That the Director of Strategy and Economy approves the award of the Southwark Pioneers Fund Growth contract to Hatch Enterprise for the maximum value of £550,000 (as further detailed in paragraph 77) for a maximum period of four years commencing July 2022.

BACKGROUND INFORMATION

3. The SPF was originally developed in 2019 to generate inclusive growth by supporting the creation or scale-up of commercial and social enterprises (including revenue-raising charities). The underpinning aims of the SPF were to deliver against the 2018-2022 council plan theme of a 'full employment borough', with a commitment to: 'Establish an Innovation Fund to invest in Southwark's entrepreneurs of the future.' To meet this commitment, Cabinet approved the establishment of the Southwark Pioneers Fund in June 2019 (see background documents).
4. Following the pause of the programme during the pandemic, the fund has since been developed to ensure that it is relevant to the current economic climate. These developments were approved in February 2022 via an IDM report approved by the Cabinet Member for Business, Jobs and Town Centres. A summary of the business case for the Fund is given in the background section of the Gateway 1 report, within the 2019 cabinet report and the 2022 IDM report (see background documents and Appendices 1 and 2).
5. The refreshed SPF is driven by the need to support economic renewal as we emerge from the worst of the pandemic, our commitment to tackling

inequality, discrimination and injustice, and the climate emergency. With these in mind, the SPF has the following five key aims:

- Increase the creation, survival and scale-up of commercial and social enterprises (including revenue-raising charities)
 - Widen the diversity of people who own and lead enterprises in Southwark
 - Reduce enterprises' carbon emissions
 - Create good quality employment for Southwark residents
 - Generate wider social value for the people of Southwark
6. To reflect these aims and ambitions, the SPF consists of a four-year enterprise support programme available to enterprises participating on the programme. Indicatively, the total budget for business support is £1,345,000 and £605,000 for grants. The enterprise support will be split into four themes, delivered by four separate agreements:
- i. Enterprise support for start-ups and aspiring entrepreneurs (Start-up Programme)
 - ii. Enterprise support for later-stage enterprises focussed on growth (Growth Programme)
 - iii. Support for enterprises to decarbonise and reduce their environmental impact (Green Programme)
 - iv. Business support for social and community enterprises led by women or people from Black or minority ethnic backgrounds (delivered through the Local Access Programme (LAP))
7. Ensuring that the support is accessible to enterprises led by people from Black, Asian and minority ethnic backgrounds, women, disabled people and young people is integral across all four themes.
8. The procurement for the four agreements is staggered. For a full breakdown of the budgets and timeframes for each of the four programmes, please refer to the Background Information section of the gateway 1 report.
9. This report refers to the outcomes of the procurement for the Start-Up and Growth enterprise support programmes. The gateway 1 report for the procurement strategy for these programmes was approved on the 11 March 2022. There has been no change to the procurement strategy. The procurement timetable has had minor amends to allow for an extended period for clarification questions due to the volume of tenders received.

Procurement project plan (Non Key decisions)

| Activity | Complete by: |
|------------------------|--------------|
| DCRB Review Gateway 1: | 18/02/2022 |

| Activity | Complete by: |
|--|---------------------|
| Brief relevant cabinet member (over £100k) | 18/02/2022 |
| Approval of Gateway 1: Procurement strategy report | 10/03/2022 |
| Completion of tender documentation | 11/03/2022 |
| Publication of Find a Tender Service Notice | 11/03/2022 |
| Publication of Opportunity on Contracts Finder | 11/03/2022 |
| Closing date for return of tenders | 29/04/2022 |
| Completion of clarification meetings/presentations/evaluation interviews | 27/05/2022 |
| Completion of evaluation of tenders | 27/05/2022 |
| DCRB Review Gateway 2: Contract award report | 03/06/2022 |
| Approval of Gateway 2: Contract Award Report | 10/06/2022 |
| Debrief Notice and Standstill Period (if applicable) | 24/06/2022 |
| Contracts award | 27/06/2022 |
| Add to Contract Register | 27/06/2022 |
| Place award notice in Find a Tender Service | 27/06/2022 |
| Place award notice on Contracts Finder | 27/06/2022 |
| Contracts start – Start-Up and Growth | 30/06/2022 |
| Initial Contracts completion date | 29/06/2024 |
| Contracts completion date – if extension(s) exercised | 29/06/2026 |

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

10. In total 23 tenders were received via open procedure: nine submissions for the Start-Up contract and 14 for the Growth contract. Following assessment and clarification interviews, it is recommended that the Council award the Start-Up contract to Trampoline and the Growth contract to Hatch who achieved the highest scores overall. Further details of the tender process

including the tenderers and scores are detailed in the Tender Evaluation section.

11. The Start-up Programme aims to provide support to residents who are interested in exploring self-employment but may not yet have a business idea, right the way through to those at an early stage of trading and want to sustain and develop their enterprise. Trampoline will deliver enterprise support to 240 early-stage enterprises, or residents seeking to start an enterprise. In addition, they will deliver 24 information, advice and guidance (IAG) sessions to 520 residents interested in self-employment, or who want to learn more about what starting an enterprise involves. Support will be delivered via a mixture of open days based in Southwark's communities, one-to-one coaching, group seminars, masterclasses and networking events. Support will be available both in person and online to provide a flexible, accessible offer for residents and enterprises.
12. The aim of the Growth Programme is to support entrepreneurs who have been trading for some time and wish to develop their enterprise and achieve their growth ambitions. Hatch will deliver enterprise support to 248 enterprises. 120 of these will participate in an accelerator programme designed for enterprises who want to plan their path for growth and scale. These enterprises will receive approximately 60 hours of support delivered via a mixture of one-to-one support, masterclasses, peer workshops, mentoring and a demo day. 128 enterprises who are either not yet ready for the accelerator or able to make the time commitment will receive between 3 and 12 hours of one-to-one support, masterclasses, networking events, peer round tables and mentoring. Support will be delivered both in person and virtually, with the accelerator content being delivered virtually to ensure accessibility.
13. Both providers are local or have a strong Southwark presence and have existing connections and relationships with organisations and communities in the borough. What differentiated these two bids from the other tenders received was the level of experience and ability to engage and provide support to the target demographics demonstrated in their respective submissions. Trampoline offers a grassroots approach to community engagement giving confidence that those most disadvantaged and under-represented in entrepreneurship will be targeted for support. Hatch offers holistic, wrap-around support to entrepreneurs, demonstrating that they understand the barriers faced by the target groups and giving them the additional support needed to help make their enterprises a success. Both providers' missions strongly align with the aims of the SPF and Southwark Stands Together (SST), giving confidence that support will go towards those who are most disadvantaged and under-represented within entrepreneurship.
14. Trampoline and Hatch are both SMEs, with Trampoline being a Black women-led micro CIC. Awarding to these providers will help build capacity in small, local providers and keep the council's funds within the local community.

Key benefits and additional value

15. It is anticipated that the Start-Up Programme will deliver the following benefits and additional value:

- Enterprise support to 240 enterprises / residents which is a 20% increase on the minimum target set
- 24 IAG sessions delivered to 520 residents interested in self-employment, which is a 33% increase on the minimum number of IAG sessions set
- Estimated 118 residents supported to register a business
- Estimated 36 jobs and apprenticeships safeguarded and 117 created
- Trampoline also aims to support 63 enterprises to access additional finance amounting to £192,000 accumulatively
- Trampoline has very strong local knowledge and connections with Southwark's communities giving confidence that support will go to those most in need
- Council funds will stay within the local community and help build capacity in a Black woman-led micro-CIC with a strong Southwark presence.

16. It is anticipated that the Growth Programme will deliver the following benefits and additional value:

- Enterprise support to 248 enterprises which is a 65% increase on the minimum target set
- Estimated 248 jobs and apprenticeships safeguarded and 101 created
- Estimated 113 enterprises supported to bring new products or services to market
- Hatch also aims to support 126 enterprises to access additional finance amounting to £1.5m accumulatively
- Enterprises completing the accelerator programme become part of Hatch's Community Network, which gives them access to ongoing support through events, clinics, mentoring, coaching and networking which are led by corporate volunteers
- To support under-represented founders who face additional challenges in business, Hatch provide plenty of wrap-around support such as mentoring provided by trained coaches who can deal with the overlap of personal and business challenges, signposting to health and wellbeing services, a regular bursary whilst on the programme and regular 1-2-1s and mentoring with skilled mentors with lived experience
- Council funds will stay within the local community and help build capacity in a local SME.

Key/Non Key decisions

17. This report deals with a non key decision.

Policy implications

18. This procurement exercise was originally driven by the 2018-22 Council Plan commitment to “establish an Innovation Fund to invest in the Southwark’s entrepreneurs of the future”. The essence of this commitment remains relevant and is encapsulated in the 2022-26 manifesto pledge:

We will back Southwark residents to start more businesses, co-operatives and social enterprises, growing a network of start-up hubs rooted in our communities. With extra support for entrepreneurs who are underrepresented in business, including women, Black, Asian, minority ethnic and disabled people.

19. It also delivers against the following pledges:

- We will create more opportunities for you when you leave school, including 250 paid internships for young people from disadvantaged backgrounds, 2,000 apprenticeships and free support to start a business
- We will keep more wealth within our community, ensuring the council and other big institutions in Southwark buy more goods and services from local businesses, cooperatives, social enterprises and charities, including Black, Asian, ethnic minority and women led-businesses and third sector organisations.

20. The Economic Renewal Plan commits to “continue to support businesses to deal with the immediate impact of the crisis [the coronavirus pandemic] and plan for a comprehensive programme of assistance to support inclusive business growth.” This procurement also works towards delivering this commitment.

Tender process

21. An open procedure was followed. Tender submissions were received from the following organisations:

| Start-Up Programme | Growth Programme |
|---------------------------------------|--|
| Christian Millionaire Bookclub Ltd. | Accounts and Legal Consultants Ltd. |
| CPG Executive Consulting Ltd | Bayes Business School, City University of London |
| Digital Islands Business Services Ltd | Capital Enterprise (UK) Ltd |
| Grow Inspires | CPG Executive Consulting Ltd |
| Hustle & Heels Ltd. | Digital Islands Business Services Ltd |
| Macintosh Hospitality Ltd | Engineering Business Growth Ltd |
| Resume Foundation | Future Flexing Ltd. |
| Trampoline NH CIC | Gemteq Ltd. |
| Wenta | Goldsmith College, University of London |

| | |
|--|---|
| | Hatch Enterprise |
| | London Southbank University (LSBU) |
| | Newable Ltd. |
| | Sara Carter Training and Consultancy Ltd. |
| | Wenta |

Tender evaluation

22. The evaluation comprised of three stages:

- Stage one - compliance (pass / fail)
- Stage two - quality (70%)
- Stage three – value for money (30%)

23. Tenderers were required to submit a proposal addressing the key requirements of the brief. The evaluation criteria are shown in Table 1 below.

Table 1

| Question number / criteria ref. | Quality Criteria | Weighting |
|---------------------------------|---|-----------|
| 2 | Identifying participants and marketing the service | 10 |
| 3 | Identifying and prioritising participants most in need of support | 10 |
| 4 | Programme design and ability to deliver enterprise support services to meet the needs of enterprises | 20 |
| 5 | Programme resources, capability and capacity | 8 |
| 6 | Previous experience of delivering effective enterprise support and achieving outcomes | 7 |
| 7 | Quality assurance | 8 |
| 8 | Mobilisation and delivery plan | 7 |
| | | |
| | Value for Money Criteria | |
| VFM1 | Start-Up: Outputs 5, 6 Growth: Outputs 1, 2 | 8 |
| VFM2 | Start-Up: Outputs 5, 6 Growth: Outputs 1, 2 Are realistic, deliverable and make effective use of the budget | 8 |
| VFM3 | Start-Up: Outputs 1-3,7, 16-22 Growth: Outputs 6, 11-17 | 8 |
| VFM4 | Match funding | 3 |
| VFM5 | Additional value | 3 |

24. Each quality criterion was awarded a score from 0-5 and then the weighting applied. The weighted scores for each question were then added together to give a total score for quality out of 70. The scoring criteria for quality are shown in Table 2 below.

Table 2

| Score | Descriptions |
|-------|--|
| 0 | Cannot be scored: No information provided or the response does not demonstrate an understanding of our requirements or the solution is incapable of meeting our requirements. |
| 1 | Unsatisfactory: Although the Supplier does demonstrate an understanding of our requirements there are some major risks or omissions in relation to the proposed solution to deliver the service and we would not be confident of our requirements being met |
| 2 | Satisfactory: A response which is capable of meeting our requirements but is unlikely to go beyond this. |
| 3 | Good: A response which shows that the Supplier demonstrates an understanding of our requirements, has a credible methodology to deliver the service and could evolve into additional benefits. |
| 4 | Very Good: A response which shows that the Supplier demonstrates an understanding of our requirements, has a credible methodology to deliver the service alongside a clear process and plan to deliver additional benefits and deliver value. |
| 5 | Excellent : A response which shows how the service can comprehensively be taken to the next level in terms of exceeding our requirements and/or offering significant added value to the Council's overall strategic requirements and objectives. |

25. Each value for money criterion was awarded a score from 0-5 and then the weighting applied. The weighted scores for each question were then added together to give a total score for value for money out of 30. The scoring criteria for value for money are shown below.

Scoring criteria: VFM1

26. The score for VFM1 was calculated using the calculation:

Start-Up: $(\text{Output 6} / \text{Output 5}) \times (\text{Output 5} / 200)$

Growth: $(\text{Output 2} / \text{Output 1}) \times (\text{Output 1} / 150)$

27. This equates to:

$(\text{Average number of hours of support per business}) \times (\text{Number of businesses supported above the minimum target})$

28. The tenderer achieving the highest number received a score of 5. All other tenderers received a score from 0-5 relative to the highest tenderer.

29. If a tenderer's targets for outputs 5 and 6 (or 1 and 2 if applied for Growth) were unrealistically high and they received a score of 2 or below for VFM2,

they could be excluded from the scoring process for VFM1. This was to ensure that any outlying or unrealistic scores did not skew the scoring process for the other tenderers.

Table 3 – Scoring criteria: VFM2-3

| Score | Descriptions |
|-------|---|
| 0 | Cannot be scored: No information provided or significant gaps making it impossible to assess the proposal. Minimum targets are not met. |
| 1 | Unsatisfactory: Some information provided but some major risks or omissions in relation to the financial information and rationale. Not confident that the service and outputs are deliverable with the cost breakdown. |
| 2 | Satisfactory: A response which provides adequate financial information and rationale. Some confidence that the proposal and outputs are deliverable with the cost breakdown. |
| 3 | Good: A response which provides good financial information and rationale. Medium level of confidence that the proposal and outputs are deliverable with the cost breakdown. Funds are used efficiently. |
| 4 | Very Good: A response which provides thorough financial information and clear rationale. High level of confidence that the proposal and outputs are deliverable with the cost breakdown. Funds are used efficiently which could evolve into delivering additional value. |
| 5 | Excellent : A response which provides thorough financial information and clear, comprehensive rationale. Very high level of confidence that the proposal and outputs are deliverable with the cost breakdown. Funds are used efficiently, clearly delivering additional value. |

Table 4 – Scoring criteria VFM4-5

| Score | Descriptions |
|-------|---|
| 0 | Cannot be scored: No information provided or no added value / match funding proposed. |
| 1 | Unsatisfactory: Although the supplier does demonstrate some added value or match funding, there are some major risks or omissions in the response making it unrealistic to be delivered or amounting to very little value. |
| 2 | Satisfactory: A response which is capable of delivering some added value or match funding. Some confidence that the methodology is capable of delivering the proposed added value. |

| | |
|----------|--|
| 3 | Good: A response which shows that the supplier demonstrates a good level of added value or match funding and has a credible methodology to deliver the proposed added value. |
| 4 | Very Good: A response which shows that the supplier demonstrates a high level of added value or match funding and has a strong methodology to deliver the proposed added value. |
| 5 | Excellent: A response which shows that the supplier offers significant added value or match funding with a strong, comprehensive methodology to deliver the proposed added value. |

30. The scores achieved for both quality and value for money were added together to give an overall score.

Start-Up Evaluation

31. Table 5 shows the scores for the tenderers for the Start-Up Programme.

Table 5

| Tenderer | Total score pre-clarification (100%) | Final Quality Score (70%) | Final VFM Score (30%) | Final Total Score (100%) |
|--------------------------------|---|----------------------------------|------------------------------|---------------------------------|
| Trampoline | 48.8 | 44.6 | 14.2 | 58.8 |
| Wenta | 47.6 | 42 | 13.6 | 55.6 |
| Digital Islands | 46.2 | 35 | 16.8 | 51.8 |
| Hustle and Heels | 41.6 | 36 | 15.2 | 51.2 |
| Macintosh Hospitality | 41.6 | 36 | 15.2 | 51.2 |
| CPG | 37.6 | 31.4 | 17.4 | 48.8 |
| Resume Foundation | 46.8 | 42.4 | 4.4 | 46.8 |
| Grow Inspires | 37 | 31.6 | 11.8 | 43.4 |
| Christian Millionaire Bookclub | 25.4 | 21.6 | 3.8 | 25.4 |

Start-Up Clarification

32. All tenderers were asked to clarify their outputs as some of the responses were not clear and it was critical that the panel were able to compare like-for-like. To ensure that everyone had fair opportunity to clarify their outputs, the same clarification question was sent to all tenderers. The criteria VFM1 and VFM2 were therefore scored after clarification which accounts for the large increase between the pre and post clarification scores.

33. Trampoline, Wenta and Digital Islands were invited to clarification interviews following initial scores, as these were the top 3 bidders by a clear margin of

at least 4.8% and the remaining bids would not have been able to make up the difference in the scores. Resume Foundation also scored highly pre-clarification, however it was rejected from the tender process as it achieved a score of 0 for VFM1 and VFM2 so was not invited to interview.

34. Once the scores for VFM1 and VFM2 had been taken into account, Trampoline increased their score by 2% following their interview. This was due to greater clarity provided around their approach to outreach and engagement, including confirmation that there was a digital option for programme registration and delivering support.
35. Although Wenta were asked some clarification questions at interview, the answers received did not impact their scores so their overall score remained the same once their scores for VFM1 and VFM2 had been taken into account.
36. Once the scores for VFM1 and VFM2 had been taken into account, Digital Islands decreased their score by 4% due to their lack of offline outreach and engagement and ability to make the service accessible to under-represented groups.
37. Overall Trampoline achieved the highest score both pre and post clarification, with a final margin of 3.2%.
38. It is noted that none of the top bidders for the Start-Up Programme scored as highly as the bidders for the Growth Programme. However this is likely due to the tenderers being smaller organisations with less experience of tendering, rather than a reflection of their ability to provide a good quality service. All of the top scoring tenderers met the minimum thresholds for quality and value for money.

Growth Evaluation

39. Table 6 shows the scores for the tenderers for the Growth Programme.

Table 6

| Tenderer | Total Score Pre-clarification (100%) | Final Quality Score (70%) | Final VFM Score (30%) | Final Total Score (100%) |
|-----------------------------|---|----------------------------------|------------------------------|---------------------------------|
| Hatch | 71.8 | 57.2 | 20.6 | 77.8 |
| Goldsmiths | 70.2 | 53.4 | 20 | 73.4 |
| LSBU | 65.8 | 52 | 15.2 | 67.2 |
| Capital Enterprise | 68 | 45.6 | 15.8 | 61.4 |
| Engineering Business Growth | 59.8 | 41.4 | 16.8 | 58.2 |
| Digital Islands | 59 | 39 | 18.4 | 57.4 |
| Newable | 57.6 | 42 | 13.6 | 55.6 |

| | | | | |
|--------------------------------------|------|------|------|------|
| Gemteq | 50.6 | 36.6 | 14 | 50.6 |
| Bayes | 49 | 37.6 | 11.4 | 49.0 |
| Accounts and Legal Consultants | 47.6 | 32 | 15.6 | 47.6 |
| Wenta | 47 | 35.6 | 11.4 | 47.0 |
| Sara Carter | 37.6 | 28 | 9.6 | 37.6 |
| Future Flexing | 36 | 25.2 | 10.8 | 36.0 |
| CPG | 34.4 | 29.4 | 5 | 34.4 |

Growth Clarification

40. All tenderers were asked to clarify their outputs as some of the responses were not clear and it was critical that the panel were able to compare like-for-like. To ensure that everyone had fair opportunity to clarify their outputs, the same clarification question was sent to all tenderers. The criteria VFM1 and VFM2 were scored before clarification, although slight adjustments were made after clarification answers were received as detailed in the following paragraphs.
41. Hatch, Goldsmiths, LSBU and Capital Enterprise were invited to clarification interviews as from the initial scores, these were the top 4 bidders by a clear margin of at least 6% and the remaining ones would not have been able to make up the difference in the scores.
42. Hatch increased their score by 6% due to greater clarity provided around how they would administer the grants fund. They increased their score for mobilisation by providing clarity around what support would be available from the start of the contract. They also clarified how the match funding offered would apply to the programme.
43. Goldsmiths increased their score by 3.2% due to clarification of the number of hours of support provided to enterprises. This made them top scorer for VFM1.
44. LSBU increased their score by 1.4% due to providing clarity around what support would be available from the start of the contract.
45. Capital Enterprise decreased their score by 6.6% by clarifying that they do not offer any support to enterprises to reduce their environmental impact, which is a requirement of the programme. They increased their score for match funding by clarifying how it would apply to the programme. However, their score decreased for VFM1 as this criterion was scored relative to other bidders. When other bidders clarified their outputs, scoring was adjusted accordingly and resulted in a reduced score for VFM1.
46. Overall Hatch achieved the highest score both pre and post clarification, with a final margin of 4.4%.

Plans for the transition from the old to the new contract

47. This is a new service so there will be no transition between contracts.

Plans for monitoring and management of the contract

48. 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.

49. The contracts will be managed and monitored by an officer within the Local Economy Team. The officer will meet with the suppliers on a quarterly basis to monitor performance and service delivery and verify evidence. Contract monitoring arrangements in line with council procedures and established processes will include:

- Quarterly monitoring of outputs and outcomes
- Regular review of costs
- Management and oversight of ongoing risks and staging of payments following the completion of project phases

50. The contractors will be required to monitor outputs beyond the duration of the contract. This will be written into the contracts with a mechanism to claw back costs should this requirement not be met.

51. The initial term of the contracts is two years, with the option to extend the contract for a further two-year term. This allows the council to terminate the contracts at the end of the initial term.

52. The final contracts will also include a clause allowing the council to terminate the contracts at any time by giving one month's written notice.

Identified risks for the new contract

| No. | Risk | Risk Level | Mitigating Action |
|-----|---------------------------|------------|--|
| 1. | Limited mobilisation time | Low | <ul style="list-style-type: none"> • The providers have submitted mobilisation plans which will form part of the contract. Both providers offer a staggered approach to mobilisation with support on offer from August 2022. • Trampoline has staff in place to deliver programme activities until designated programme staff are recruited. |

| | | | |
|----|------------------------------------|--------|--|
| | | | <ul style="list-style-type: none"> • Hatch’s community programme runs all year round so will be immediately available to enterprises. • Although Hatch’s accelerator programme does not begin until January 2023, the community programme offers 121 and group support to enterprises in the meantime and helps build capacity so that enterprises are fully prepared for the accelerator. |
| 2. | Underperformance service quality – | Medium | <ul style="list-style-type: none"> • The providers have set their own targets which are based on experience from previous programmes they have delivered. The targets should therefore be realistic and achievable. • Hatch has a strong track record of delivering contracts of a similar size and quality. • Although this will be Trampoline’s largest contract to date, their application demonstrated their potential to scale up similar services and provides assurance that they will deliver a high quality service. • Continuous improvement will be encouraged through a flexible approach to monitoring and service delivery. This will enable the providers and the council to monitor and resolve any issues at regular intervals. • The contracts include multiple mechanisms to manage performance including implementing improvement plans, serving default notices and applying service credits. • The contracts will be issued for a 2-year initial term with a 2-year extension so can easily be terminated after 2 years if necessary. The contracts will also include a clause allowing the council to terminate the contract at any time. |
| 3. | Underperformance - cost | Medium | <ul style="list-style-type: none"> • The providers have provided a credible cost breakdown with well-reasoned rationale giving confidence |

| | | | |
|----|------------|--------|---|
| | | | <p>that the budgets will be managed appropriately. This will be monitored closely on a quarterly basis.</p> <ul style="list-style-type: none"> • An assessment of the financial standing of both providers has been carried out. Hatch has a normal level of financial risk. • Although the financial risk of Trampoline is higher because they are a micro-CIC, they will be asked to provide a budget for how the first payment will be spent before any payment is made. All subsequent payments will be made on evidence of expenditure. • The value for Trampoline's contract is also relatively low at £75K p/a. Overall it is considered that the benefits of building capacity in a Black woman-led micro-CIC with a strong Southwark presence outweigh the financial risks of investing in an SME. • The contracts will be issued for a 2-year initial term with a 2-year extension so can easily be terminated after 2 years if necessary. The contracts will also include a clause allowing the council to terminate the contract at any time. |
| 4. | Insolvency | Medium | <ul style="list-style-type: none"> • A credit check has been undertaken on the providers. Hatch has a normal level of financial risk. • Trampoline will receive £30K up-front costs to support with cash flow from the start. This will only be paid on receipt of a budget for how the first payment will be spent. All subsequent payments will be made on evidence of expenditure and colleagues will maintain close monitoring of the financial position of Trampoline. • The value for Trampoline's contract is also relatively low at £75K p/a. Overall it is considered that the benefits of building capacity in a Black woman-led micro-CIC with a strong Southwark presence |

| | | | |
|----|----------------------------------|--------|---|
| | | | outweigh the financial risks of investing in an SME. |
| 5. | Supplier relationship management | Medium | <ul style="list-style-type: none"> • The contract officer will work closely with the providers during the mobilisation period to clearly set out the services, milestones and targets to be delivered so that any ambiguity is kept to a minimum. • Monitoring meetings will provide the opportunity to raise and resolve issues at regular intervals. • The providers for the Start-Up and Growth programmes (and later the Green and Social and Community programmes as they come onboard) will be expected to collaborate in order to offer the most appropriate form of support to enterprises. They will be obliged to sign a collaboration agreement which sets out how they should work together. • Initial mobilisation meetings will take place with both providers present to foster good relationships from the start and minimise ambiguity. • Both providers are organisations with missions and values that strongly align with the aims of the SPF and SST which is a good basis for a cohesive working relationship. |
| 6. | Covid-19 restrictions | Low | <ul style="list-style-type: none"> • Most, and if need be, all of the service delivery can take place online so that businesses can still access the service should further covid-related restrictions come into place. |

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

Community impact statement

53. With due regard to the Public Sector Equality Duty, an equality analysis was carried out on the SPF during its initial development. The analysis identifies service users across the protected characteristics, with detail of the mitigating actions that could be incorporated into the service design. The EIA has been reviewed and revised to reflect the updated delivery strategy, the change in the economic climate, and more recent research (see Appendix 2).

54. More recently, the views of potential service users across the protected characteristics have been captured and incorporated into the development of the specifications. For example, a survey went out to over 11,000 businesses signed up to the council's business mailing list to inform the development of a comparable business support service. Of the respondents, 56% identified as a minority ethnic business, 44% as a woman-led business and 8% as a disabled-led business. Other channels have also been explored to further engage and incorporate the views of those groups most underrepresented in business – please see the consultation section for further details.

55. People from Black, Asian and minority ethnic backgrounds, women, young people and disabled people are underrepresented amongst entrepreneurs. A core aim of the SPF is to support these groups start up and grow their enterprises. Although the enterprise support is not limited to these groups, bidders were evaluated on how their service will target these communities to ensure support is tailored to their needs. Trampoline and Hatch scored very highly on these criteria which is what set them apart from the other bidders. Their approaches include:

- A grassroots approach to community engagement, utilising existing connections and relationships within Southwark's communities to engage with the target groups;
- Tailoring marketing and promotion work to under-represented groups to raise awareness about the support on offer;
- Providing mentors with lived experience who can deal with the overlap of personal and business challenges
- Offering a regular bursary to programme participants
- Signposting to health and well-being services

56. Additionally, ambitious equality and diversity targets have been set, with the aim of achieving high programme participation amongst the target demographics.

57. When finalising the contract, the council will ensure that the provider's practices are inclusive and require them to have an Equalities & Diversity policy in place.

58. Additionally the provider will be required to develop links with Southwark Works, the Council's employment service. Southwark Works supports a combination of groups that are overrepresented in unemployment measures, including some of the most marginalised groups in the labour market. Through collaboration, the service seeks to widen employment opportunities, specifically to meet the needs of protected characteristic groups. This service will help Southwark Works fulfil this aim by promoting job opportunities created with the support of the Start-Up and Growth programmes.

Equalities (including socio-economic) impact statement

59. The SPF has been designed to be accessible to enterprises led by people from Black, Asian and minority ethnic backgrounds, women, disabled people and young people. The commissioning and monitoring processes will be used to

ensure that this is the case across all four SPF themes and appropriate targets put in place in the Start-Up and Growth programmes initially. For further information, see the Background Information section, community impact statement and economic and social considerations.

Health impact statement

60. A core aim of the SPF is that it is accessible to those under-represented in business. This includes disabled people and people with additional health needs. Services under the SPF are designed to be fully accessible to people with additional health needs. Trampoline and Hatch both offer a mix of in person and virtual deliver to ensure that their programmes are fully accessible. The support provided will be holistic, taking into account additional needs and focussing on building clients' confidence and offering motivational support, helping them to set up survival plans/budgets and providing networking opportunities. Additionally, Hatch provide signposting to health and wellbeing services, mental health first aid training and providing mentors with lived experience who can provide holistic as well as business support.
61. It is anticipated that a long-term outcome of the programme will be that enterprise owners and aspiring entrepreneurs are able to start and grow their own enterprise, have greater control over their own working conditions due to being self-employed and generate increased revenue. As a result, it is hoped that entrepreneurs have greater financial security and improved health and economic wellbeing.

Climate change implications

62. A key aim of the SPF is for businesses to decrease their environmental impact. For further information see the environmental / sustainability considerations.

Social Value considerations

63. 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 social value considerations included in the tender (as outlined in the Gateway 1 report) are set out in the following paragraphs in relation to the tender responses, evaluation and commitments to be delivered under the proposed contract.

Economic considerations

64. The procurement was advertised on ProContract and open to all types and sizes of provider, including small, local providers, social enterprises and the voluntary sector. Local providers involved in the soft market testing were encouraged to apply.
65. Trampoline and Hatch are both SMEs with a strong local presence, with Trampoline being a Black women-led micro CIC. Awarding to these providers

will help build capacity in small, local providers and keep the council's funds within the local community.

66. The providers will be encouraged to advertise any posts (including apprenticeships) funded by this contract with Southwark Works – therefore creating more employment opportunities for Southwark residents.
67. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. It is expected that payment of the LLW by the successful contractors for this contract will result in quality improvements for the council. These could include a higher calibre of multi-skilled employees that will contribute to the provision of the services within Southwark, more experienced staff, or continuity of service provision resulting from reduced turnover of staff and will provide best value for the council. It is therefore considered appropriate for the payment of LLW to be required. The successful contractor will be expected to meet LLW requirements and contract conditions requiring the payment of LLW were included in the tender documents. As part of the tender process, bidders were required to confirm that they will pay the LLW. Following award, any cost implications will be monitored as part of the contract review process.
68. Enterprises in receipt of support will also gain an understanding of the local employment landscape and supply chains, consequently drawing on these resources as their business grows.
69. As the enterprise support will primarily be targeting micro enterprises, we anticipate that a long-term outcome of the programme will be that these enterprises become more resilient and are able to generate increased revenue for those connected to them. Additionally, a key aspect of the enterprise support will be to support enterprises to apply for funding and increase their income streams in order to self-sustain and grow, consequently benefiting Southwark's local economy.

Social considerations

70. Social value objectives are fundamental to the SPF. The following social value benefits will be delivered directly through the enterprise support:
- Southwark residents will be supported to start-up and grow their enterprise, in turn stimulating the local SME market, and potentially leading to job and apprenticeship safeguarding or creation.
 - The programmes will target Black, Asian and minority ethnic communities, women, young people and disabled people to ensure support is tailored to the needs of those groups underrepresented amongst entrepreneurs.
 - Employers will receive training/ awareness of good employment principles, the London Living Wage and other responsible business practices.

- Enterprises addressing issues outlined in the Southwark Council Plan commitments and/ or Southwark Council Common purpose outcomes will be supported to generate social value.

Environmental/Sustainability considerations

71. A key aim of the SPF is to support enterprises to reduce their carbon emissions. Although this will primarily be delivered via the Green Programme, the Start-Up and Growth programmes will also include performance measures around carbon reduction. Providers were required to set their own measures and targets in relation to environmental impact.
72. Trampoline will deliver ethical business & leadership masterclasses including topics such as the benefits of using local suppliers and sustainable materials. Hatch will integrate a Sustainability Toolkit into the SPF cohorts to support enterprises to build strategies to reduce their environmental impact.
73. Additional environmental measures such as the number of enterprises supported operating in the green sector will be discussed on contract award.
74. Much of the enterprise support will be delivered online, or at community hubs, reducing the need for clients to travel.

Market considerations

75. Trampoline and Hatch are both SMEs with a strong local presence, with Trampoline being a Black women-led micro CIC. Awarding to these providers will help build capacity in small, local providers and keep the council's funds within the local community.

Staffing implications

76. There are no direct staffing implications. Quarterly monitoring meetings 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

77. A contract of up to £300,000 will be awarded for the Start-Up Programme, and a contract of up to £550,000 will be awarded for the Growth Programme. Both programmes will deliver from June 2022 to June 2026. All values of exclusive of VAT.
78. Both programmes also have a grants budget: £115,000 for the Start-Up Programme and £185,000 for the Growth Programme. However, the council will be the grant budget holder and administer the grant payments. The enterprise support providers will take responsibility for assessing the

enterprises' needs and will recommend to the council whether a grant award would be justified.

79. In June 2019 Cabinet approved the establishment of the SPF including the resources to commission a business support provider. Since the SPF was reinstated, the Cabinet Member for Jobs, Business and Town Centres approved the updated delivery strategy and redistribution of funds via an IDM report in February 2022.

80. It is expected that approximately 240 enterprises will be supported by the Start-Up Programme and 248 by the Growth Programme.

Legal implications

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

Consultation

82. Since its inception in 2019, a considerable amount of consultation and research has been undertaken to help develop the model of the fund and the specification and procurement strategy for the enterprise support.

83. During the initial development of the fund, a number of enterprise support providers were consulted as part of an advisory group. Soft market testing informed the original enterprise support specification and this learning was carried forward to inform the specifications for the current Start-Up and Growth programmes. Further soft market testing has been undertaken to inform the development of the current specifications to ensure that the services continue to be relevant and meet the needs of enterprises in the current economic climate. It also helped develop suitable measures of success, realistic targets and provided up to date costs.

84. Findings from research and consultation with local enterprises have also been taken into account. Recommendations from a business survey conducted by an independent research organisation in autumn 2020, after the first national lockdown, have shaped the design of the fund. Additionally, a survey went out to over 11,000 businesses signed up to the council's business mailing list to inform the development of a comparable business support service. 367 responses were received which gave us an understanding of what types and topics of support are most relevant to local enterprises.

85. The views of participants of the Start-up in London Libraries (SiLL) programme were sought via an online survey, specifically to gain insight into any lessons learned so that these could be incorporated into the Start-Up programme which will replace SiLL. Although the response rate was not high, the comments received were very useful and have helped shape the specification.

86. Additionally, in an effort to delve deeper into what we can do to ensure the services are accessible as possible, an online engagement forum was trialled. The forum asked more specific, open questions with the aim of gaining more detailed answers and inviting a more in depth conversation with people from the target demographics. It was promoted to enterprises, utilising networks expanded through the Southwark Stands Together programme. Some ideas presented on the forum received some feedback and support, however unfortunately the response rate was not very high.
87. Research and consultation from the early development of the SPF during 2018-19 has also been included in the redevelopment of the fund. For example, views from the original SPF advisory group, a needs analysis undertaken by the Young Foundation and the results from a survey to businesses via the Consultation Hub.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (CE22/013)

88. This report is requesting the Director of Strategy and Economy to approve the award of the Southwark Pioneers Fund (SPF) Start-Up contract to Trampoline NH CIC for the maximum value of £300,000 (as further detailed in paragraph 77) for a maximum period of four years commencing July 2022.
89. This report is also requesting the Director of Strategy and Economy to approve the award of the Southwark Pioneers Fund Growth contract to Hatch Enterprise for the maximum value of £550,000 (as further detailed in paragraph 77) for a maximum period of four years commencing July 2022.
90. The strategic director of finance and governance notes that the total value of the recommendations of this report will be contained within the £1.95m of Southwark Pioneers Fund.
91. It is noted that all staffing and other costs connected with this report will be contained within existing departmental revenue budgets.

Head of Procurement

92. This report seeks the approval of the Director of Strategy and Economy for the award of the Southwark Pioneers Fund (SPF) Start-Up contract to Trampoline NH CIC for the maximum value of £300,000. This is further detailed in paragraph 77. The contract is for a maximum period of four years, commencing in July 2022.
93. The report seeks the approval of the Director of Strategy and Economy for the award of the Southwark Pioneers Fund Growth contract to Hatch Enterprise. The maximum value of £550,000, as further detailed in paragraph 77 for a maximum period of four years, commencing in July 2022.

94. The report details the procurement process and evaluation which are set out in paragraphs 21-45.
95. The plans for the management and monitoring of the contract are set out in paragraph 47-52. Paragraph 66 confirms that the contracts will both pay London Living Wage.
96. The Community Impact, Equalities, Health and Climate Change Impact Statements are set out in paragraphs 52-61 of the report.

Director of Law and Governance

97. This report seeks the approval of the Director of Strategy and Economy to the award of the SPF contracts for Start-up and Growth to Trampoline and Hatch Enterprise respectively, as further detailed in paragraphs 1 and 2. By virtue of contract standing order 6.5.2(f) these decisions may be taken by the relevant Chief Officer, or under her delegated authority after consideration of the report by DCRB.
98. As noted in the Gateway 1 report, the nature and value of these services are such that they are subject to the light touch regime (LTR) tendering requirements of the Public Contract Regulations 2015 (PCR 2015). Paragraph 21 confirms that an open tender process was undertaken (which was advertised through the Find a Tender Service) satisfying the PCR 2015 requirements. Using the evaluation methodology set out in the invitation to tender, the council has identified Trampoline as having submitted the most economically advantageous tender for the Start-Up, and Hatch Enterprise for the Growth procurement and they are therefore recommended for award of those contracts.
99. The Director's attention is drawn to the Public Sector Equality duty (PSED General Duty) under the Equality Act 2010, which requires public bodies to have regard, when making decisions, to the need to eliminate discrimination, advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and those who do not share it. The Director is specifically referred to the community, equalities (including socio-economic) and health impacts at paragraphs 52-61 setting out the consideration that has been given to equalities issues which should be considered when approving these awards.
100. Contract Standing order 2.3 requires that no steps are taken to award a contract unless the expenditure involved has been included in approved estimates, or is otherwise approved by the council. Paragraphs 77-80 confirm the financial implications of these awards.

PART A – TO BE COMPLETED FOR ALL DELEGATED DECISIONS

Under the powers delegated to me in accordance with the council's Contract Standing Orders, I authorise action in accordance with the recommendation(s) contained in the above report (and as otherwise recorded in Part B below).

Signature

Date.....

Designation

PART B – TO BE COMPLETED BY THE DECISION TAKER FOR:

- 1) All key decisions taken by officers
- 2) Any non-key decisions that are sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available (see 'FOR DELEGATED DECISIONS' section of the guidance).

| |
|--|
| 1. DECISION(S) |
| As set out in the recommendations of the report. |
| 2. REASONS FOR DECISION |
| As set out in the report. |
| 3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED BY THE OFFICER WHEN MAKING THE DECISION |
| Not applicable. |
| 4. ANY CONFLICT OF INTEREST DECLARED BY ANY CABINET MEMBER WHO IS CONSULTED BY THE OFFICER WHICH RELATES TO THIS DECISION |
| None. |

5. NOTE OF ANY DISPENSATION GRANTED BY THE MONITORING OFFICER, IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST

If a decision taker or cabinet member is unsure as to whether there is a conflict of interest they should contact the legal governance team for advice.

N/A

6. DECLARATION ON CONFLICTS OF INTERESTS

I declare that I was informed of no conflicts of interests.

7. CONSIDERATION GIVEN TO WHETHER, AS A NON-KEY DECISION, THIS SHOULD BE FORWARDED TO THE CONSTITUTIONAL TEAM FOR PUBLICATION IN ACCORDANCE WITH REGULATION 13(4)*

The decision taker should consider whether although a non-key decision, the decision is sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available. Where there is any doubt, having considered the importance and/or sensitivity of a decision, it should be deemed that Regulation 13(4) would apply.

I do not consider that the decision be made available for publication under Regulation 13(4).*

* Under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the council is required to put in place a scheme for recording and publishing some officer executive decisions. This process is sometimes referred to as "Regulation 13(4)".

BACKGROUND DOCUMENTS

| Background documents | Held At | Contact |
|---|---|---|
| Title of document(s) Southwark Pioneers Fund: Establishment | Title of department / unit Address Local Economy Team | Name Phone number Libby Dunstan Libby.dunstan@southwark.gov.uk |
| Link: (Insert hyperlink here) https://moderngov.southwark.gov.uk/ieListDocuments.aspx?CId=302&MId=6413&Ver=4 | | |
| Title of document(s) | Title of department / unit address | Name Phone number |
| Link: (Insert hyperlink here) | | |

APPENDICES

| No | Title |
|------------|---|
| Appendix 1 | IDM – Southwark Pioneers Fund Delivery Strategy |
| Appendix 2 | Gateway 1: Southwark Pioneers Fund |
| Appendix 3 | Insert title of document |
| Appendix 4 | Insert title of document |
| Appendix 5 | Insert title of document |
| Appendix 6 | Insert title of document |

AUDIT TRAIL

| | |
|---|---|
| Lead Officer | Only nominated Lead Officers who have been specifically authorised by the chief officer are able to sign off reports as complete and ready for circulation |
| Report Author | This is the person who wrote the report and co-ordinated any comments from other departments or individuals. |
| Version | Indicate whether it is the draft or final/complete version of the report. |
| Dated | It is important that each version of a report circulated is clearly dated to avoid confusion for colleagues as to which version is the most current, e.g. 5 July 2020 |
| Key Decision? | Yes/No |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER | |

| Officer Title | Comments Sought | Comments included |
|---|------------------------|--------------------------|
| 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) | No | No |
| Cabinet Member | Yes | No |
| Contract Review Boards | | |
| Departmental Contract Review Board | Yes | Yes |
| Corporate Contract Review Board | No | No |
| Cabinet | No | No |
| Date final report sent to Constitutional/Community Council/Scrutiny Team | | N/A |

| | | | |
|------------------------------------|--------------------------------|--|---|
| Item No. 12 | Classification: Open | Date: 17 October 2022 | Meeting Name: Education and Local Economy Scrutiny Commission |
| Report title: | | Education and Local Economy Scrutiny Commission Work Programme 2022-23 | |
| Ward(s) or groups affected: | | N/a | |
| From: | | Scrutiny Officer | |

RECOMMENDATIONS

1. That the education and local economy scrutiny commission note the work programme as at 17 October 2022 attached as Appendix 1.
2. That the education and local economy scrutiny commission consider the addition of new items or allocation of previously identified items to specific meeting dates of the commission.

BACKGROUND INFORMATION

3. The general terms of reference of the scrutiny commissions are set out in the council’s constitution (overview and scrutiny procedure rules - paragraph 5). The constitution states that:

Within their terms of reference, all scrutiny committees/commissions will:

- a) review and scrutinise decisions made or actions taken in connection with the discharge of any of the council’s functions
- b) review and scrutinise the decisions made by and performance of the cabinet and council officers both in relation to individual decisions and over time in areas covered by its terms of reference
- c) review and scrutinise the performance of the council in relation to its policy objectives, performance targets and/or particular service areas
- d) question members of the cabinet and officers about their decisions and performance, whether generally in comparison with service plans and

targets over a period of time, or in relation to particular decisions, initiatives or projects and about their views on issues and proposals affecting the area

- e) assist council assembly and the cabinet in the development of its budget and policy framework by in-depth analysis of policy issues
 - f) make reports and recommendations to the cabinet and or council assembly arising from the outcome of the scrutiny process
 - g) consider any matter affecting the area or its inhabitants
 - h) liaise with other external organisations operating in the area, whether national, regional or local, to ensure that the interests of local people are enhanced by collaborative working
 - i) review and scrutinise the performance of other public bodies in the area and invite reports from them by requesting them to address the scrutiny committee and local people about their activities and performance
 - j) conduct research and consultation on the analysis of policy issues and possible options
 - k) question and gather evidence from any other person (with their consent)
 - l) consider and implement mechanisms to encourage and enhance community participation in the scrutiny process and in the development of policy options
 - m) conclude inquiries promptly and normally within six months
4. The work programme document lists those items which have been or are to be considered in line with the commission's terms of reference.

KEY ISSUES FOR CONSIDERATION

- 5. Set out in Appendix 1 (Work Programme) are the issues the education and local economy scrutiny commission is due to consider in 2022-23.
- 6. The work programme is a standing item on the education and local economy scrutiny commission agenda and enables the commission to consider, monitor and plan issues for consideration at each meeting.

BACKGROUND DOCUMENTS

| Background Papers | Held At | Contact |
|--|---------------------------|---|
| Education and Local Economy Scrutiny Commission agenda and minutes | Southwark Council Website | Amit Alva Amit.alva@southwark.gov.uk |
| Link: https://moderngov.southwark.gov.uk/ieListMeetings.aspx?CId=550&Year=0 | | |

APPENDICES

| No. | Title |
|------------|------------------------|
| Appendix 1 | Work Programme 2022-23 |

AUDIT TRAIL

| | | |
|---|-----------------------------|--------------------------|
| Lead Officer | Amit Alva, Scrutiny Officer | |
| Report Author | Amit Alva, Scrutiny Officer | |
| Version | Final | |
| Dated | 7 October 2022 | |
| Key Decision? | No | |
| CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER | | |
| Officer Title | Comments Sought | Comments Included |
| Director of Law and Governance | No | No |
| Strategic Director of Finance and Governance | No | No |
| Cabinet Member | No | No |
| Date final report sent to Scrutiny Team | 7 October 2022 | |

Education and Local Economy Scrutiny Commission Work Programme – 2022-23

| Meeting | Agenda items | Comment |
|----------------------------|--|---|
| <p>20 July 2022</p> | <p>Impact on businesses in the face of the cost-of-living crisis</p> | <p>Presentation received from Matthew Little, Principal Strategy Officer, Chief Executive’s on Impact on businesses in the face of the cost-of-living crisis specifically the Council’s role in:</p> <p>Jobs and recruitment Business support Community wealth building (addressing the supply chain question) London Living Wage</p> |
| | <p>Pupil Places: Looking at shortfalls in primary pupil numbers across Southwark</p> | <p>Report received Councillor Jasmine Ali, Cabinet Member for Children, Young People and Education and senior officers on Pupil Places: Looking at shortfalls in primary pupil numbers across Southwark.</p> <ul style="list-style-type: none"> · Impact of Brexit · Falling population rates · Pupil premium · Migration to outside of London. · Planning Policy and overall house-building programme |

| Meeting | Agenda items | Comment |
|-----------------|---|---|
| | Work Programme | <p>Proposed work programme items for the year 2022-2023</p> <p>Considered at each meeting.</p> |
| 17 October 2022 | <p>Pupil Places: Looking at shortfalls in primary pupil numbers across the borough</p> <ul style="list-style-type: none"> • Discussion with Head Teachers • Planning strategies for family sized homes to help mitigate falling rolls in schools. | <p>Discussion with Head Teachers of Bellenden Primary School, Grange Primary School, Ivy dale Primary School, Rye Oak Primary School, Townsend Primary School and Victory Primary School.</p> <p>Juliet Seymour, Planning Policy Manager presenting a report on Planning Strategies for family sized homes to help mitigate the falling rolls in schools.</p> |
| | <p>Impact of the cost-of-living crisis on businesses in Southwark</p> <p>Local Businesses coping with cost-of-living crisis, especially supply chain issues</p> | <p>Jacqueline Kneebone, Regional Director for Environment, Social, Governance, Sea Containers, Lore Group and Floris Kouijzer Hotel Manager presenting a report to the commission on supply chain issues.</p> <p>Pete Avery, Federation of Small Businesses.</p> |

| Upcoming Meeting Dates | Agenda items to be scheduled | Comment |
|--|---|---|
| <p>17 October 2022 6 December 2022 8 February 2023 25 April 2023</p> | <p>Closure St Johns Walworth school</p> | <p>Roz Cordenar, COE Diocese, explaining the circumstances leading to the closure of St. Johns Walworth School. (TBC)</p> |
| | <p>New Economic Strategy Consultation</p> | <p>Danny Edwards, Head of Economy and Nick Wolff, Principal Strategy Officer. The report to include responses to inflationary pressures with innovative procurement strategies. (TBC)</p> |
| | <p>Interview with Cabinet Member for Jobs, Business and Town Centres. (December 2022 TBC)</p> | <p>Interview with Councillor Martin Seaton including a holistic overview of key strategies and projects under the Cabinet member portfolio for Jobs, Business and Town Centres with a focus on key aspects:</p> <ul style="list-style-type: none"> • Opportunities for ex-offenders and the success rate in Southwark Works. • Living wage and conditions of employment such as zero hour contracts. • Number of BAME workers in businesses in Southwark as previous report suggested 85% of client businesses supporting BAME workers • Affordable work spaces • Figures on empty and occupied commercial properties, council and privately owned (landlords) • Procurement Strategy update • Businesses performances on the climate change targets including green jobs for youth of the future. • Progress and delivery of the Southwark Pioneers Fund (SPF) |

| Upcoming Meeting Dates | Agenda items to be scheduled | Comment |
|------------------------|---|---|
| | | <ul style="list-style-type: none"> • Growing Ethnic Minority Pay Gap- Plans to close the gap to be produced by various council departments by December 2022. |
| | Children's Safeguarding | Written update from the independent Chair for Children's Safeguarding. (December 2022 TBC) |
| | Interview with Cabinet Member for Children, Young People and Schools. (February 2023 TBC) | <p>Interview with Deputy Leader and Cabinet Member Councillor Jasmine Ali including a holistic overview of key strategies and projects under the Cabinet member portfolio for Children, Young People and Schools with a focus on key aspects:</p> <ul style="list-style-type: none"> • Aspects of school funding impacted by rising cost of living crisis • Data on reception cohorts across London councils, PAN London Place Planning Group. • Health and safety around bringing up children in London air quality- health and leisure and climate change • Progress and delivery of the inclusion Charter in schools across Southwark. • Inclusion of Black children and anti-racism in schools • Green Energy for schools • BAME staff disciplinary in schools |

Education and Local Economy Scrutiny Commission

MUNICIPAL YEAR 2022-23

AGENDA DISTRIBUTION LIST (OPEN)

NOTE: Original held by Scrutiny Team; all amendments/queries to Amit Alva Tel: 020 7525 0496

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| Councillor Rachel Bentley | | Euan Cadzow-Webb - Liberal Democrat Group Office | |
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Dated: October 2022