

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 |