

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

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

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

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

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

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

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

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

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

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

RECOMMENDATIONS

That cabinet:

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

BACKGROUND INFORMATION

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

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

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

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

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

Existing Framework

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

Table 2: Existing framework overview

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

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

2022 External Evaluation

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

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

New service from July 2023

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

v. Increased emphasis on outreach and engagement

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

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

vi. Incorporating an employer engagement offer into Southwark Works

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

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

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

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

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

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

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

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

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

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

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

Summary of the business case/justification for the procurement

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

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

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

Market considerations

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

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

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

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

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

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

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

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

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

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

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

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

d) Provide services in house

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

e) Joint procurement with other local authorities

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

f) Using an existing framework

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

g) Do nothing

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

Proposed procurement route

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

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

How the new framework will operate

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

Framework appointment and initial award of contracts

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

Table 2 – Proposed Southwark Works Framework lots

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

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

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

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

Contract review

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

Identified risks for the procurement

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

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

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

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

Key / Non Key decisions

35. This report deals with a key decision.

Policy Framework Implications

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

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

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

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

Procurement Project Plan (Key Decisions)

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

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

TUPE/Pensions implications

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

Development of the tender documentation

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

Advertising the contract

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

Evaluation – Two stage process

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

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

Community impact statement

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

Equalities (including socio-economic) impact statement

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

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

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

Health impact statement

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

Climate change implications

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

Social Value considerations

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

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

Economic considerations

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

Social considerations

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

Environmental/Sustainability considerations

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

Plans for the monitoring and management of the contract

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

- Improvement planning where two consecutive quarters of underperformance occurs
- Annual performance reports to Departmental Contracts Review Board (DCRB)
- Annual performance reports to Corporate Contracts Review Board (CCRB)
- Evaluation of service delivery – every two years.

66. Payments will be made on a quarterly basis in arrears subject to achievement of defined performance output measures by the contractor.

67. In addition to the contract management arrangements, arrangements for the framework will include monitoring of all contractors admitted to the framework to ensure that SQ criteria continue to be met throughout the life of the framework regardless of when or whether a contract is awarded, and to future contract decisions throughout the life of the framework are based on accurate and current information.

Staffing/procurement implications

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

Financial implications

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

	Cost excluding VAT	Cost inclusive of VAT
Annual Cost	£1,815,000	£2,178,000
Total Cost	£1,815,000	£2,178,000

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

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

71. The above funding plans confirms that there are sufficient budgets to contain the estimated cost of the contracts, however, this will be monitored on a regular basis and contracts should only be let against confirmed funding.

72. Recommendation 1b seeks to approve an additional £2m to accommodate possible future external funding sources. Should future funds be secured, the spend will be subject to Gateway reports in line with the council’s contract standing orders.

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

Legal implications

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

Consultation

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

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

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

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

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

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

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (CE22/053)

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

Head of Procurement

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

Director of Law and Governance

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

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

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Southwark Works Equalities Impact Assessment	Local Economy Team	Nils.Bendle@southwark.gov.uk
Link: Agenda for Cabinet on Tuesday 17 January 2023, 11.00 am - Southwark Council		

APPENDICES

No	Title
Appendix 1	Southwark Works Evaluation

AUDIT TRAIL

Cabinet Member	Councillor Martin Seaton, Jobs, Business and Town Centres	
Lead Officer	Stephen Gaskell, Director of Strategy and Economy	
Report Author	Liz Gardiner, Senior Strategy Officer	
Version	Final	
Dated	5 January 2023	
Key Decision?	Yes	
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
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		5 January 2023