

Item No.	Classification: Open	Date: 17 May 2023	Decision Taker: Chief Executive
Report title:		Gateway 2 - Contract Award Approval Southwark Works Framework Appointment and initial Call-off Contracts approval	
Ward(s) or groups affected:		All	
From:		Head of Local Economy	

RECOMMENDATION(S)

1. That the Chief Executive approves the establishment of the Southwark Works Framework Agreement, for a period of four years commencing 1 July 2023 with an estimated total contract value of £5,814,809, and agrees to the appointment to the framework of the providers specified in Table 1, paragraph 12 of this report.
2. That the Chief Executive approves the individual Call-off Contracts from the Southwark Works Framework and their values as set out in Table 2 (paragraph 13) for an initial period of two years from 1 July 2023, with the option to extend for a further two years the total value of all the Call-off Contracts for the initial two year period (1 July 2023 to 30 June 2025) is £2,907,404.
3. That the Chief Executive notes that no providers have been recommended a contract for lot 1a and that alternative plans are being developed for this target client group (young people with learning difficulties or disabilities), as set out in paragraph 15 of this report and approval for these plans will be sought via further Gateway reports in line with council Contract Standing Orders (CSOs).

BACKGROUND INFORMATION

Southwark Works model

4. Southwark Works is the council's flagship employment support programme, enabling the council to deliver against its political and strategic commitments to support residents into work as set out in the Council Delivery Plan 2022-26. It is formed of a network of specialist 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 deal with the range of issues that affect resident's ability to gain and sustain employment whilst providing an effective recruitment service for local employers.

5. Southwark Works has operated since 2004 and has supported thousands of residents to find work and change their lives. The service has made considerable contributions to the 2014-2018 and 2018-2022 council plan targets to support 10,000 people into work. The programme operates through three main elements:
- i. A network of employment support providers targeting a variety of priority cohorts, directly contracted by the council through the Southwark Works Framework Agreement
 - ii. Employer relationship engagement and management – supporting local organisations to create opportunities and employ residents who face challenges entering and progressing in the workplace (please note: it is expected that this service will be procured in Spring /Summer 2023)
 - iii. A network co-ordinator directly contracted by the council, responsible for:
 - Management of the network of employment support providers
 - Service and data quality assurance
 - Operation of the customer facing hub office
 - Developing, managing and delivering service plans; such as a service wide Outreach and Engagement Plan and Brand and Marketing Strategy
 - Assessment of clients and referral to a network provider
 - Skills training
 - Building the capacity of all providers delivering contracts through the Southwark Works framework
6. The current Framework agreement and Call-Off contracts commenced on 1 July 2019¹ for a period of two years with an option to extend by a further two years; the decision to extend this contract was taken via a Gateway 3 report dated 13 April 2021. The current framework agreement and Call-off Contracts are due to expire on 30 June 2023.
7. The Gateway 1 for this procurement strategy was approved by cabinet on 17 January 2023. The approval of the Gateway 2 for the establishment of the Framework and individual Call-off Contracts was delegated by cabinet to the Chief Executive.

Procurement project plan (Key Decision)

8.

Activity	Completed by/Complete by:
Forward Plan for Gateway 2 decision	18/11/2022
Briefed relevant cabinet member (over £100k)	12/12/2022
Approval of Gateway 1: Procurement Strategy Report	17/01/2023

¹ With the exception of lot 1 contracts which started on 1st October 2019

Activity	Completed by/Complete by:
Invitation to tender	25/01/2023
Closing date for return of tenders	11/04/2023
Completion of evaluation of tenders	28/04/2023
DCRB Review Gateway 2:	11/05/2023
CCRB Review Gateway 2:	15/05/2023
Notification of forthcoming decision – Five clear working days (see paragraph 9)	N/A
Approval of Gateway 2: Contract Award Report	17/05/2023
Scrutiny Call-in period and notification of implementation of Gateway 2 decision	25/05/2023
Debrief Notice and Standstill Period (if applicable)	30/05/2023
Contract award	31/05/2023
Add to Contract Register	31/05/2023
TUPE Consultation period (if applicable)	31/05/2023
Contract start	01/07/2023
Publication of award notice in Find a Tender Service	31/05/2023
Publication of award notice on Contracts Finder	31/05/2023
Contract completion date	30/06/2025
Contract completion date – if extension(s) exercised	30/06/2027

9. In order to give existing and the recommended new providers appropriate time to fulfil TUPE obligations the council will need to make the decision on the 17th May. This means that there is insufficient time for this report to be published five days in advance of the approval of this contract award report. For this reason the use of the special urgency procedure has been requested from the Overview and Scrutiny Committee..

KEY ISSUES FOR CONSIDERATION

Description of procurement outcomes

10. The new framework agreement and call off contracts 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

11. The contract values have been increased since the Framework was last commissioned in 2019 in recognition of the inflationary pressures and increasing costs associated with providing a quality service for our residents. The new service specification has been designed to be financially viable; accounting for rising service costs and client need.

12. Table 1 details the organisations proposed to appoint to the Framework.

Table 1 – Proposed framework appointments

Lot	Lot name	Framework providers
Lot 1	Vulnerable young people	<ul style="list-style-type: none"> • Bounce Back Foundation • St Giles Trust • Twin Training International Ltd.
Lot 2	People aged 50+ or with physical health conditions	<ul style="list-style-type: none"> • Renaisi • Pecan
Lot 3	Mental health	<ul style="list-style-type: none"> • Thames Reach
Lot 4	Learning disabilities and learning difficulties, including autism	<ul style="list-style-type: none"> • The Camden Society
Lot 5	Parents and unpaid carers	<ul style="list-style-type: none"> • Pecan
Lot 6	Offenders	<ul style="list-style-type: none"> • Bounce Back Foundation • St Giles Trust
Lot 7	Substance use	<ul style="list-style-type: none"> • Bounce Back Foundation • St Giles Trust
Lot 8	Homelessness	<ul style="list-style-type: none"> • St Giles Trust • Thames Reach
Lot 9	In work support	<ul style="list-style-type: none"> • Thames Reach

13. Table 2 details the proposed initial call off contracts.

Table 2 – Proposed initial contract awards

Lot	Lot name		Provider	Contract value	Indicative total contract value (if contract is extended)
Lot 1	Vulnerable young people	Lot 1a- Learning difficulties	N/A	N/A	N/A
		Lot 1b- Involvement with the CJS	St Giles Trust	£279,056	£558,112
		Lot 1c- Risk of NEET	Twin Training UK	£286,000	£572,000
Lot 2	People aged 50+ or with physical health conditions		Renaisi	£320,134	£640,268
Lot 3	Mental health		Thames Reach	£319,000	£638,000
Lot 4	Learning disabilities and learning difficulties, including autism		The Camden Society	£325,321	£650,642
Lot 5	Parents and unpaid carers		Pecan	£330,000	£660,000
Lot 6	Offenders		St Giles Trust	£278,214	£556,428
Lot 7	Substance use		Bounce Back Foundation	£148,054	£296,108
Lot 8	Homelessness		St Giles Trust	£321,626	£643,251
Lot 9	In work support		Thames Reach	£300,000	£600,000
Total				£2,907,404	£5,814,809

14. Table 1 of the closed report describes the core outputs to be delivered over the initial call off contract two years of delivery.

15. The council did not receive any call off contract bids for lot 1a; vulnerable young people with a learning disability / difficulty. As a result no provider has been recommended a contract for this 'sub lot'. Plans are being developed to consider alternative options to procure provision. Further Gateway reports to approve alternative provision will be brought forward as required.

Key/Non Key decisions

16. This report deals with a key decision.

Policy implications

17. The Southwark Works service is critical to the delivery of the Council Delivery Plan commitment to a thriving and inclusive economy. Underpinning this commitment is the new Economic Strategy 2023-2030 (to be approved by cabinet in Autumn 2023).

18. Southwark's Economic Strategy 2023-2030 will set the council's ambitions for Southwark's economy to 2030 and beyond, leading to a fairer, greener and more resilient local economy. 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 the council will redouble its efforts to support local people and businesses to benefit from the opportunities it creates.

19. However, a future strategy cannot rely on growth alone to narrow inequalities in economic opportunity and prosperity within the borough. Towards 2030 the council will refocus on 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. The council's 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.

20. Work is underway to develop Southwark 2030, the council's 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 the council shape the future of the borough and its economy as per the emerging Southwark Economic Strategy.

21. 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 Children and Young People's Plan, Special Educational Needs and Disabilities (SEND) Strategy, the Joint Health and Wellbeing Strategy, and the Housing Strategy. In addition, the Southwark Works service will work with the Skills Delivery Partnership and anchor organisations to ensure residents are able to access good employment opportunities.

Tender process – two stage process

22. The tender was advertised through Find a Tender Service and Pro Contract, as well as being directly notified to the existing provider network and partnership networks (including Community Southwark, the umbrella organisation for the borough's voluntary and community sector, and Department for Work and Pensions provider network).

23. A Prior Information Notice was published on 6 December 2022 alerting potential suppliers that the council would be procuring employment support services in January 2023. A market warming event was held on 14 December 2022 outlining details of the Southwark Works Framework and allowing potential suppliers to ask questions on the procurement process.

Stage 1 - Selection Questionnaire (SQ)

24. Providers were asked to demonstrate their capacity to deliver a framework contract. The standard version of the SQ was utilised for this. General compliance was assessed on a pass/fail basis and technical and professional ability questions were evaluated using the council's standard 0-5 scoring system. Bidders were required to achieve a minimum score of two on each question in order to progress to ITT.

Stage 2 - Invitation to Tender (ITT)

25. A weighted model of 80% quality, 20% output / price was used at tender stage. Bidders were asked to respond to two separate sets of method statement questions set out in the Framework Appointment Tender Response Document and the Framework Call-Off Contract Tender Response Document to bid for framework appointment and initial call-off contract award consecutively. Bidders were not obliged to bid for an initial call-off contract, though they were required to complete the framework appointment questions in order to be considered for both framework appointment and a call-off contract award.

26. For the Framework appointment, the sub-criteria that were used for the quality assessment were Outreach and Engagement, Service Delivery and Service Planning. For the Call-off Contract response, more detail was sought to determine the organisation's ability to meet the client group's needs for immediate delivery. The following sub-criteria were used: Outreach and Engagement, Service Delivery; Service Planning and Measuring Impact. Quality criteria was given an overall score out of 100 and an 80% weighting.

Output/price assessment

27. The sustainability of tender and pricing / outputs assessment provided an overall 'value for money' score made up of 20 marks.

Tender evaluation

28. The framework and Call-Off contracts were tendered through the Find a Tender Service as a restricted tendering procedure, comprising of two stages. At the SQ stage, initial bids were received on time from 15 providers. One provider submitted their Selection Questionnaire late, though the provider was able to supply sufficient evidence to officers that a technical difficulty with the procurement portal was the reason why their submission was late and so their initial bid was assessed. Bidders were required to meet minimum financial and quality standards at the first stage.
29. A total of 16 organisations submitted SQ responses and 11 organisations were shortlisted and invited to tender. Appendix 1 of the closed report details the SQ evaluation summary.
30. At the ITT stage, providers were invited to bid for both the appointment to the Framework lots and for Call-off Contracts, completing a set of questions to assess quality and price for both framework appointment and Call-Off contract award.
31. Tenders were received from eight organisations. Bidder 1 declined to bid due to the TUPE implications. Bidder 2 declined to bid and did not provide a reason. Bidder 3 declined because of concerns regarding the financial viability of the contract.
32. Following the evaluation, it is recommended that seven providers across the nine lots scored sufficiently to be appointed to the Framework, and all seven providers are recommended for at least one call-off contract award. Table 2 at paragraph 13 lists these providers recommended for award. Appendix 2 of the closed report details the tender evaluation summary.

Plans for the transition from the existing to the new contract

33. The council's priority will be ensuring all contracts are ready to start delivery on 1 July 2023. This will be achieved by providing a thorough induction to Southwark Works including:
- the use of the Hanlon Customer Relationship management (CRM) system (the CRM system is used by all providers delivering the Southwark Works service in order to measure outputs and manage client relationships)
 - working with the Southwark Works Network Coordination contract holder
 - working with council teams to develop referral pathways
 - agreeing the Information Sharing Agreement, privacy notices and data protection processes
 - putting in place robust contract monitoring arrangements
34. The council will work with all providers to finalise their mobilisation plans and make arrangements with council departments to establish referral routes. All

partners will have met each other prior to the commencement of the contracts.

35. TUPE is likely to apply to Lots 3 (Mental Health), 5 (Parents and Unpaid Carers), 7 (Substance Misuse) and 8 (Homelessness). TUPE information was shared during the procurement process and staffing costs have been taken into account by new providers in submitting their bids. As part of the TUPE consultation, the council will ensure new providers have access to updated staffing information as soon as possible and will support providers in addressing any delivery issues that result from this.

Plans for monitoring and management of the contract

36. 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 Key Performance Indicators
- Quarterly monitoring of outputs and outcomes
- Regular meetings with contractor's project manager to review and manage performance
- Regular review of costs
- Collaboration and joint work 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
- Evaluation of service delivery – every two years

37. Payments will be made quarterly in arrears subject to achievement of defined performance output measures by the contractor.

38. Annual performance reports will be presented in line with the council's contract standing orders

39. 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. This will ensure future contract decisions throughout the life of the framework are based on accurate and current information.

Identified risks for the new contract

40. The following risks have been identified:

No.	Risk	Risk Level	Mitigating Action
1.	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
2.	Timing – deviations from planned timetable	Medium	<ul style="list-style-type: none"> • Robust project management in place • Project outcomes and outputs are known to be deliverable within stated timescales and to specified volume and quality criteria • Staged payments will provide an incentive for the contractor to deliver against key milestones.
3.	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 and a right to terminate in accordance with the contract.
4.	Cost overrun/ under performance	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.
5.	Impact of inflation on providers, in particular 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

6.	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.
7.	World events; such as wars	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 budgets and decision making processes).
8	Financial risk	Low	<ul style="list-style-type: none"> The council asked for and evaluated financial information at SQ stage. All providers recommended for contract award passed the SQ financial and economic standing questions Should the council wish to call off further contracts from the Framework, providers will be asked to re-submit their financial and economic standing information

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

Community impact statement

41. 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.

42. By linking with the Southwark Anchor Network, the Southwark Skills Partnership and local employers, residents will be able to secure good work that is sustainable and employers will be able to access job ready candidates.

43. The council is working closely with its partners in the Southwark Anchor Network to pursue a range of shared strategic objectives. These include a shared desire to better utilise their capacity as large local employers in order to

enable and facilitate additional employment opportunities for local communities, particularly those with higher than average rates of unemployment. The Southwark Anchor Network has convened a special Task & Finish Group to explore such opportunities in partnership with the Southwark Works Network.

44. Through the Southwark Skills Partnership the council and its partners ensure a high-quality skills offer is available that is accessible and responsive to learner and employer needs. The partnership comprises employers, providers, developers and schools (amongst others). The partnership is currently developing a new skills delivery plan, which will set out how the partners will collaborate to deliver a high-quality skills offer for local communities here in the borough through 2023 and beyond. Southwark Works will be central to the success of many of the programmes that the Southwark Skills Partnership will seek to deliver, by advocating for the employment needs of Southwark's communities, particularly those with barriers to employment – and ensuring that they benefit from the programmes developed to improve the local skills system.

Equalities (including socio-economic) impact statement

45. 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 Department for Work and Pensions (DWP) programme providers. The Southwark Works service focuses on building self-efficacy and self-esteem for all service users at all times.
46. 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.
47. The service specification specified 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 (Appendix 3). Identified actions include:
- Outreach and engagement will target demographic groups more likely to require employment support
 - Tender documents will reflect EINA and ask potential suppliers to describe the demographic breakdown of the clients they will support, how the service will be tailored to meet demographic needs, and how the service will ensure a high level of service for all demographic groups
 - 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

48. 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 use the survey and related information to determine if there is disparity of wider outcomes achieved through the service.
49. 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.
50. The 'drop-in' service to be provided at the Southwark Works hub office (located at 376 Walworth Road) is accessible to residents with different needs.
51. All of the services in the new contract will be monitored through the Local Economy Team, in collaboration with council teams, to ensure that employment support and referral of candidates is effectively aligned with job opportunities, employment support, and training programmes arising from inclusive growth across Southwark.

Health impact statement

52. 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.
53. Southwark Works provision will include a specific service for people experiencing undiagnosed mental health problems and adults 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 with 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

54. Following council assembly on 14 July 2021 and subsequent action plans presented to cabinet, 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. The Council Delivery Plan includes an ambitious target for the creation of 2000 green jobs in the local economy. Southwark Works providers will create links with employers in green sectors and relevant local bodies such as the London

South Bank University Green Skills Hub to source green jobs for clients.

Social Value considerations

55. 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.
56. Social value outcomes are embedded in the Southwark Works contracts through the delivery of local jobs, apprenticeships and skills for residents.
57. Social value considerations were also included at tender stage by asking suppliers about the wider impact of the service and social value that would be delivered through the lifetime of the contract. Suppliers were also asked if they will pay the London Living Wage to all staff and how this would be monitored (see paragraphs 61 and 62).
58. Social Value will be measured as part of contract delivery through quarterly performance reports. The closed report details specific activity providers will undertake to deliver social value as part of the contracts.

Economic considerations

59. The 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

Social considerations

60. The aim of this service is to increase the employability and sustained employment of Southwark residents who are out of work, face multiple barriers to employment, and/or are seeking to improve their employment circumstances. Getting into, progressing in and staying in work will strengthen the financial independence and resilience of residents and is likely to positively impact health and wellbeing. Employers who recruit through Southwark Works will benefit from having an increasingly local workforce, and may potentially improve the diversity of their workforce as a result.
61. 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 providers awarded a call off contract

will result in quality improvements for the council. These should include continuity of service provision resulting from reduced turnover of staff and will provide best value for the council.

62. All providers who are recommended to be awarded an initial call off contract have committed to meet LLW requirements. Following contract award any cost implications of LLW payment will be monitored as part of the contract review process.

Environmental/Sustainability considerations

63. This project is based on one-to-one and some one-to-many contacts between employment advisors and members of the public, and as such will have few direct environmental impacts and minimal scope for carbon reduction. One-to-many events are likely to be held in venues nearest to transport hubs to provide easy access by public transport.

Market considerations

64. Providers appointed to the Framework are a mix of small and medium enterprises and voluntary and community sector organisations. Some of the organisations operate solely in Southwark, some across London and one with a presence nationally.

Staffing implications

65. There are no direct staffing implications. Quarterly monitoring and all other contract management work will be undertaken by the Local Economy Team's lead officer for the contract or a delegated officer as appropriate within existing staffing resource.
66. As noted in paragraph 35, TUPE may apply in respect of Lots 3, 5, 7 and 8. 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 do not form part of the contract specification. TUPE compliance is a matter for the outgoing (transferor) and the incoming (transferee) organisations. Bidders were advised to consider the application or otherwise of TUPE to this invitation and to seek independent legal advice on the matter if they believed it to be necessary. Tenders were considered on the basis that such matters had been accounted for in the tendered price.
67. The current Project Procurement Plan is fairly tight and as described in paragraph 9 of this report, the council is seeking to use the special urgency procedure to allow sufficient time between the confirmation of the contract award and the service commencement date for the relevant outgoing and the incoming organisations to each comply with their obligations under TUPE. The council will, as noted in paragraph 35, take appropriate steps to support them in this matter.

Financial implications

68. The projected value of the initial 2 year Southwark Works Framework contracts detailed in this report running from 1 July 2023 to 30 June 2025 is £2,907,404 (made up of the contracts in table 2). The sources of funding for these contracts are shown in the table below.

Sources of Funding		Annual amount	Two year amount
Local Economy Team (LET)	CM906	£547,700	£1,095,400
Core Commissioning Budget	CM888	£278,000	£556,000
Secured S106 Funds		£628,002	£1,256,004
Total		£1,453,702	£2,907,404

69. The above funding plans confirms that there are sufficient budgets to contain the cost of the contracts, however, this will be monitored on a regular basis.

70. 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.

71. Should the council exercise the two year contract extension, the total four year value of the contracts are estimated to be total £5,814,809.

Legal implications

72. Please see concurrent from the Assistant Chief Executive – Governance and Assurance.

Consultation

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

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

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

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (SC23/005)

75. This report is requesting chief executive to approve the establishment of the Southwark Works framework agreement, and award of initial call off contracts for an initial period of two years from 1 July 2023 to 30 June 2025, with the option to extend for a further two years to the providers specified in Table 2 above for an estimated value of £2,907,404 for two year term (£1,453,702 annually) and £5,814,809, if extended for 2 more years and to note the recommendation 3, as detailed in the report.
76. The strategic director of finance notes that the estimated cost of the framework arrangement for Southwark can be contained within the funding, as detailed in the financial implications section.
77. Staffing and any other costs connected with this report to be contained within existing departmental revenue budgets.

Head of Procurement

78. This report seeks approval from the Chief Executive for the award of the Southwark Works Framework Agreement to the providers listed in table 1, for a period of four years commencing 1 July 2023 with an estimated total contract value of £5,814,809 and the individual Call-off Contracts from the Southwark Works Framework and their values as set out in Table 2.
79. The Chief Executive notes that Lot 1a has not been awarded as detailed in paragraph 3, the procurement is detailed in paragraphs 10 to 15 and 22 to 32, transition from existing providers to new is detailed in paragraphs 33 to 35, management and monitoring of the contracts is detailed in paragraphs 36 to 39, the risks are detailed in paragraph 40, the impact on equalities, health and climate change are detailed in paragraphs 45 to 54, confirmation of the payment of LLW is detailed in paragraph 57 and social value commitments are detailed in paragraph 58.

Assistant Chief Executive – Governance and Assurance

80. This report seeks the approval of the Chief Executive for the appointment of the providers listed in Table 1 of this report to the Southwark Works Framework as outlined in paragraph 1 of this report. In addition, approval is sought from the Chief Executive for the award of individual Call-off Contracts from the Southwark Works Framework as described in paragraph 2 and Table 2 of this report. The Chief Executive is also requested to note that no award is recommended for the Lot 1a services and that a separate gateway approval will be sought in respect of a further procurement exercise for this element.
81. Paragraphs 22 to 27 of this report outlines the two stage tender process followed and paragraphs 28 to 32 details the tender evaluation. On the basis

of the information contained in this report it is confirmed that the procurement process was conducted in accordance with the CSO and in accordance with the relevant procurement regulations.

82. Para 35 of this report confirms the lots that are likely to be subject to a TUPE transfer and the plan for TUPE consultation. Further details are contained in the staffing implications in paragraphs 66 to 67.


83. Paragraph 9 and paragraph 67 highlights the reason for seeking the use of the special urgency procedure. In accordance with Rule 19 of the council's Access to Information Procedure Rules, the decision to use this procedure can only be taken if agreement is obtained from the Chair of the Overview and Scrutiny Committee that the taking of the decision cannot be reasonably deferred.

84. The Chief Executive's attention is drawn to the Public Sector Equality Duty outlined in para 46 of this report. The Chief Executive is specifically referred to the community, equalities (including socio-economic) and health impact at paragraphs 45 to 53 which sets out the consideration that has been given to the issues which should be considered when approving this award

85. CSO 2.3.1 requires that contracts may only be awarded if the expenditure has been included in approved revenue or capital estimates or has been otherwise approved by, or on behalf of the council. Paragraphs 68 to 71 of this report outlines the financial implication of the awards and confirms that there are sufficient budgets to contain the cost of the contracts.

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 

Althea Loderick

Designation Chief Executive

Date 17/05/2023

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

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

1. DECISION(S)
As set out in the recommendations of the report.
2. REASONS FOR DECISION
As set out in the report.
3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED BY THE OFFICER WHEN MAKING THE DECISION
Not applicable.
4. ANY CONFLICT OF INTEREST DECLARED BY ANY CABINET MEMBER WHO IS CONSULTED BY THE OFFICER WHICH RELATES TO THIS DECISION
None
5. NOTE OF ANY DISPENSATION GRANTED BY THE MONITORING OFFICER, IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST
<i>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.</i>
None
6. DECLARATION ON CONFLICTS OF INTERESTS
I declare that I was informed of no conflicts of interests.

BACKGROUND DOCUMENTS

Background documents	Held At	Contact
Gateway 1 – Procurement Strategy Approval: Southwark Works Framework	Local Economy Team	Liz Gardiner Extn 50283
Link: https://modern.gov.southwark.gov.uk/documents/s111152/Report%20Gateway%2001-%20Southwark%20Works%20Framework.pdf		

APPENDICES

No	Title
Appendix 1 [CLOSED]	SQ summary – closed report
Appendix 2 [CLOSED]	Tender summary – closed report
Appendix 3	Southwark Works: Equality Impact and Needs Analysis 2022

AUDIT TRAIL

Lead Officer	Stephen Gaskell, Assistant Chief Executive - Strategy and Communities	
Report Author	Liz Gardiner, Senior Strategy Officer	
Version	FINAL	
Dated	16 May 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
Assistant Chief Executive – Governance and Assurance	Yes	Yes
Cabinet Member	Yes	Yes
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes

Corporate Contract Review Board	Yes	Yes
Cabinet	No	No
Date final report sent to Constitutional/ Team		17 May 2023