

Meeting of the

# CABINET

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Wednesday, 5 December 2012 at 5.30 p.m.

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## AGENDA SUPPLEMENT – SECTION ONE

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### VENUE

Committee Room, 1st Floor, Town Hall, Mulberry Place, 5 Clove Crescent, London, E14 2BG

#### Members:

Mayor Lutfur Rahman (Mayor)	– (Mayor)
Councillor Ohid Ahmed (Deputy Mayor)	– (Deputy Mayor)
Councillor Rofique U Ahmed	– (Cabinet Member for Regeneration)
Councillor Shahed Ali	– (Cabinet Member for Environment)
Councillor Abdul Asad	– (Cabinet Member for Health and Wellbeing)
Councillor Alibor Choudhury	– (Cabinet Member for Resources)
Councillor Shafiqul Haque	– (Cabinet Member for Jobs and Skills)
Councillor Rabina Khan	– (Cabinet Member for Housing)
Councillor Rania Khan	– (Cabinet Member for Culture)
Councillor Oliur Rahman	– (Cabinet Member for Children's Services)

[Note: The quorum for this body is 3 Members].

If you require any further information relating to this meeting, would like to request a large print, Braille or audio version of this document, or would like to discuss access arrangements or any other special requirements, please contact:

Matthew Mannion, Democratic Services,

Tel: 020 7364 4651, E-mail: [matthew.mannion@towerhamlets.gov.uk](mailto:matthew.mannion@towerhamlets.gov.uk)



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**LONDON BOROUGH OF TOWER HAMLETS**

**CABINET**

**WEDNESDAY, 5 DECEMBER 2012**

**5.30 p.m.**

**3. UNRESTRICTED MINUTES (Pages 1 - 12)**

The minutes of the Cabinet meeting held on 7 November 2012 to be circulated for information.

**10.1 In House Temporary Resourcing Report (Pages 13 - 22)**

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**LONDON BOROUGH OF TOWER HAMLETS**

**MINUTES OF THE CABINET**

**HELD AT 5.45 P.M. ON WEDNESDAY, 7 NOVEMBER 2012**

**COMMITTEE ROOM, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE  
CRESCENT, LONDON, E14 2BG**

**Members Present:**

Mayor Lutfur Rahman (Mayor)	(Mayor)
Councillor Ohid Ahmed (Deputy Mayor)	(Deputy Mayor)
Councillor Shahed Ali	(Cabinet Member for Environment)
Councillor Abdul Asad	(Cabinet Member for Health and Wellbeing)
Councillor Alibor Choudhury	(Cabinet Member for Resources)
Councillor Shafiqul Haque	(Cabinet Member for Jobs and Skills)
Councillor Rabina Khan	(Cabinet Member for Housing)
Councillor Rania Khan	(Cabinet Member for Culture)
Councillor Oliur Rahman	(Cabinet Member for Children's Services)

**Other Councillors Present:**

Councillor Denise Jones	
Councillor Joshua Peck	(Leader of the Labour Group)
Councillor Marc Francis	
Councillor Ann Jackson	(Chair, Overview & Scrutiny Committee)
Councillor Stephanie Eaton	
Councillor David Snowdon	
Councillor Zenith Rahman	
Councillor Lesley Pavitt	(Deputy Speaker of Council)
Councillor Judith Gardiner	
Councillor Kabir Ahmed	(Executive Advisor to the Mayor and Cabinet)
Councillor Gulam Robbani	
Councillor John Pierce	

**Officers Present:**

Isobel Cattermole	– (Acting Corporate Director, Children, Schools & Families and Adult Health and Wellbeing)
Isabella Freeman	– (Assistant Chief Executive - Legal Services, Chief Executive's)
Stephen Halsey	– (Corporate Director Communities, Localities & Culture and Interim Head of Paid Service)
Chris Naylor	– (Corporate Director, Resources)
Aman Dalvi	– (Corporate Director, Development & Renewal)
Owen Whalley	– (Service Head Planning and Building Control, Development & Renewal)
Anne-Marie Berni	– (Infrastructure Planning Manager, Planning &

Numan Hussain	– Building Control, Development & Renewal (Political Advisor to the Mayor, Executive Mayor's Office, Chief Executive's)
Navida Quadi	– (Graduate Management Trainee, Executive Mayor's Office, Democratic Services, Chief Executive's)
David Courcoux	– (Political Adviser to the Labour Group, Chief Executive's)
Shahriar Hossain	– (Graduate Management Trainee, Communications)
Abad Uddin	– (Graduate Management Trainee, Human Resources)
Sayed Khan	– (Graduate Management Trainee, Human Resources)

### **ADJOURNMENT**

The meeting was opened at 5.45 pm by Councillor Ohid Ahmed, the Deputy Mayor and immediately adjourned until 6:00 pm to allow time for the Mayor to arrive.

The meeting was then re-opened at 6.00 pm by Councillor Ohid Ahmed, the Deputy Mayor and adjourned for a further 15 minutes to 6.15 pm.

The meeting reconvened at 6.15 pm

#### **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received on behalf of:

- Councillor Rofique U Ahmed (Cabinet Member for Regeneration)

**Noted.**

#### **2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST**

Councillors Ohid Ahmed, Alibor Choudhury, Rabina Khan and Rania Khan declared pecuniary interests in Items 4 and 5.2 (Petition and Call-in relating to the Mayor's Mainstream Grants Programme) and would leave the room for the duration of those items.

Councillor Ann Jackson declared a pecuniary interest in Item 19.1 (Learning Disabilities Day Opportunities – Modernisation Programme) and would leave the room for the duration of that item.

**Noted.**

#### **3. UNRESTRICTED MINUTES**

The unrestricted minutes of the ordinary meeting of the Cabinet held on 3 October 2012 were presented for information.

#### 4. PETITIONS

##### a. Petition regarding cuts to funding for Appian Court Resource Centre.

Ted Lewis, a regular service user and supporter of Appian Court Resource Centre, presented a petition to the Cabinet relating to concerns about the impact on services provided by the Appian Court Resource Centre of any potential cut to their grant. He highlighted a number of specific issues including:

- The Resource Centre provided very valuable services to local residents and was an important social and support lifeline.
- The important work done taking care of older people and who would undertake that work instead.
- The Centre supported a large community and was often asked for advice from other centres offering similar support.

Councillor Oliur Rahman, Cabinet Member for Children's Services, responded to the petition on behalf of the Cabinet. He thanked the petitioners for presenting their petition and for fighting for their community. He stressed that the Cabinet were concerned about the potential impact on services and did not want to see the service users neglected.

##### b. Petition regarding 'Save our Advice Centres'

Councillor Joshua Peck presented a petition to the Cabinet relating to fears about the impact on Advice Centres of any cuts to their grants. He highlighted their concerns that, at a time of significant government cuts to welfare benefits, the Centres were going to be a really important support to residents. He also requested that funds that were not yet allocated should be used and that the final decision should be made in a transparent way.

The Mayor thanked all the petitioners and stated that he would respond in more detail during the debate under Item 5.2 (Overview and Scrutiny Committee Call-in of the Mayor's Mainstream Grants Programme).

#### **RESOLVED**

1. That the following petitions be formally received and noted:
  - a. Petition regarding cuts to funding for Appian Court Resource Centre.
  - b. Petition regarding 'Save our Advice Centres'
2. That the points raised by the petitions be given consideration during the Cabinet deliberation of the item of business to which the petitions related; and
3. That any outstanding issues raised by the petitions be referred to the Corporate Director for Development and Renewal for attention and response in writing within 28 days, in accordance with the Authority's

Constitution (Part 4, Rules of Procedure, Section 4.1 Council Procedure Rules, Rule 19 Petitions).

## 5. OVERVIEW & SCRUTINY COMMITTEE

### 5.1 Chair's advice of Key Issues or Questions in relation to Unrestricted Business to be considered

Councillor Ann Jackson, Chair of the Overview and Scrutiny Committee, reported that the main discussions at the previous evening's meeting had been the two Call-in reports and she would comment on those under Item 5.2.

### 5.2 Any Unrestricted Decisions "Called in" by the Overview & Scrutiny Committee

#### 5.2(i) Cabinet Decision "called-in": Mayor's Mainstream Grants Programme

The Mayor informed members of the Cabinet that:

- Councillor Ann Jackson, Chair of the Overview and Scrutiny Committee (OSC), had **Tabled** a reference (CAB 48/123) setting out the deliberations of the OSC, held on 6 November 2012, in respect of the decision of the Executive Mayor in Cabinet, on 3 October 2012, made in relation to the report "Mayor's Mainstream Grants Programme" (CAB 40/123).

Councillor Ann Jackson, Chair of the OSC, addressed the Mayor and Cabinet in relation to the tabled reference and recommendations made by OSC in referring this matter back to the Cabinet for further consideration. She highlighted particular issues that OSC had discussed including:

- Whether proper decision making processes had been followed and documentation provided, including an Equalities Impact Assessment.
- Had officer recommendations been significantly changed by the Executive, and if so, why.
- Whether the geographical spread of grants was balanced.
- Whether the new organisations identified had the capacity to deliver the required services with a particular concern around the provision of welfare advice.
- That the OSC were reviewing the process and so they requested appropriate assistance in that review including in the provision of documentation.

The Mayor heard further contributions and then thanked the Chair of OSC for her presentation. He responded to the Call-in, highlighting:

- He would consider the points raised.
- It was an important issue that had to be taken seriously.



- The funding should reach all residents and areas of the Borough.
- He would be withdrawing Item 7.1 (Main Stream Grants Programme 2012/15) to allow further consideration of the issues.

### **RESOLVED**

1. That the advice/comments of the Overview and Scrutiny Committee, as detailed in the Tabled Reference (CAB 48/123) be noted.
2. That it be noted that the Mayor had withdrawn the Mainstream Grants report on the agenda to allow for further consideration of all the issues raised.

### **5.2(ii) Cabinet Decision “called-in”: Review of Tower Hamlets Art Work**

The Mayor informed members of the Cabinet that:

- Councillor Ann Jackson, Chair of the Overview and Scrutiny Committee (OSC), had **Tabled** a reference (CAB 47/123) setting out the deliberations of the OSC, held on 6 November 2012, in respect of the decision of the Executive Mayor in Cabinet, on 3 October 2012, made in relation to the report “Review of Tower Hamlets Art Work” (CAB 35/123).

Councillor Ann Jackson, Chair of the OSC, addressed the Mayor and Cabinet in relation to the tabled reference and recommendations made by OSC in referring this matter back to the Cabinet for further consideration. She highlighted particular issues that OSC had discussed including:

- The cultural significance of the statue to the borough.
- That a number of organisations including the Docklands Museum were willing to host the statue and were able to obtain insurance at a reasonable cost.
- There was a large petition in favour of keeping the statue.
- There had been a Council resolution two years ago asking that the statue be brought back to the Borough.
- Concern that the decision was being rushed and questions as to the true financial worth of the statue.

The Mayor then received representations from Cabinet Members and others at the meeting who raised a number of issues including:

- Officers stated the statue was uninsurable and similar statues elsewhere had been stolen.
- Unsuccessful attempts had been made to find a suitable home for the statue.
- Selling the statue would not prevent a new owner from publically displaying it at an appropriate venue.
- Any funds raised could be invested back into the local community, for example in housing or cultural facilities such as libraries.

The Mayor thanked all those who been involved in the debate. He stated that having heard all the arguments he was satisfied with his original decision and accordingly:

**RESOLVED**

1. That the advice/comments of the Overview and Scrutiny Committee, as detailed in the Tabled Reference (CAB 47/123) be noted.
2. That the decision of the Cabinet, made on 3 October 2012, in relation to the Review of Tower Hamlets Art Work (CAB 35/123) be reaffirmed.

**6. A GREAT PLACE TO LIVE**

**6.1 Leopold Estate CPO**

The **Mayor agreed** the recommended decisions as set out in the report.

**RESOLVED**

1. To delegate to the Corporate Director of Development and Renewal, together with the Assistant Chief Executive, authority to take all necessary steps including the making of a Compulsory Purchase Order (CPO), General Vesting Declaration or Notice to Treat in respect of the land shown edged red on the plan at Appendix 2 including those interests set out in Appendix 1 including existing interests and new rights pursuant to Section 13 of the Local Government (Miscellaneous Provisions) Act 1976,
2. To delegate to the Corporate Director of Development and Renewal in consultation with the Assistant Chief Executive (Legal Services) the power to take all necessary procedural steps in making the compulsory purchase order including:-
  - 2.1 Making of the compulsory purchase order as described in Recommendation 2, including the publication and service of notices and thereafter seeking confirmation of it by the Secretary of State (or, if permitted, by the Council pursuant to Section 14A of the Acquisition of Land Act), including the preparation and presentation of the Council's case at any Public Inquiry which may be necessary.
  - 2.2. Acquiring all interests in land and new interests within the CPO boundary shown at Appendix 2 either by private agreement or compulsorily
  - 2.3. Determination as to whether an individual Order shall be made under the provisions of Section 17 Housing Act 1985, or Section 226 Town and Country Planning Act 1990, as detailed in

paragraphs 4.24 to 4.27 of the report (CAB 068/078), should the Assistant Chief Executive (Legal Services) consider this appropriate;

- 2.4. Monitoring of negotiated agreements by Poplar HARCA with land owners or others as applicable, setting out the terms for withdrawal of objections to the compulsory purchase order, including where appropriate seeking exclusion of land or new rights from the compulsory purchase order.
  - 2.5. Publication and service of notices of confirmation of the CPO and thereafter to execute and serve any general vesting declarations or notices to treat, and notices of entry, and to acquire those interests to secure the development proposals.
  - 2.6. Referral and conduct of disputes relating to compulsory purchase compensation at the Upper Tribunal (Lands Chamber)
  - 2.7. Transfer of any land interests compulsorily acquired by the Council under the terms described in Recommendations 2.2 and 2.3 above to Poplar HARCA, once vacant possession is achieved.
3. To determine that the use of CPO powers is exercised after balancing the rights of individual property owners with the requirement to obtain vacant possession of the site.
  4. To determine that the interference with the human rights of the property owners affected by these proposals, and in particular their rights to a home and to the ownership of property, is proportionate, given the adequacy of their rights to object and to compensation, and the benefit to the economic, social and environmental well-being of the areas of Tower Hamlets affected by these proposals.
  5. To note that all costs incurred by the council, to manage and deliver CPO processes will be reimbursed by Poplar HARCA.

## **6.2 Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule**

The **Mayor agreed** the recommended decisions as set out in the report.

### **RESOLVED**

1. To approve the Tower Hamlets Community Infrastructure Levy (CIL) Preliminary Draft Charging Schedule as set out in Appendix 1 for a 6 week public consultation period from 16<sup>th</sup> November 2012 to 2<sup>nd</sup> January 2013.

2. To note the Equalities Analysis Scoping Report (Appendix 2), the Consultation Plan (Appendix 3), the Strategic Environmental Assessment Screening Report (Appendix 4) and also the LBTH CIL Viability Study Report which is a supporting document and is available upon request.
3. To delegate authority to the Corporate Director of Development and Renewal, in consultation with the Lead Members for Housing and Resources, to make editorial changes to the Preliminary Draft Charging Schedule where necessary, prior to the beginning of the consultation period.

## **7. A PROSPEROUS COMMUNITY**

### **7.1 Main Stream Grants Programme 2012/15**

This item was withdrawn from the agenda.

## **8. A SAFE AND COHESIVE COMMUNITY**

Nil items.

## **9. A HEALTHY AND SUPPORTIVE COMMUNITY**

### **9.1 Learning Disabilities Day Opportunities - Modernisation Programme**

The public report was withdrawn. The Exempt/Confidential report was considered later on the agenda.

## **10. ONE TOWER HAMLETS**

Nil items.

## **11. ANY OTHER UNRESTRICTED BUSINESS CONSIDERED TO BE URGENT**

Nil items.

## **12. UNRESTRICTED REPORTS FOR INFORMATION**

### **12.1 Exercise of Corporate Directors' Discretions**

**RESOLVED**

1. To note the exercise of Corporate Directors' discretions as set out in Appendix 1.

### 13. EXCLUSION OF THE PRESS AND PUBLIC

#### **RESOLVED**

That pursuant to regulation 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000, the press and public be excluded from the remainder of the meeting:

- (a) As it was likely, in view of the nature of the business to be transacted in Section Two of the agenda, that if members of the public were present during consideration of this business there would be disclosure of exempt information.
  - Exempt information is defined in section 100I and, by reference, Schedule 12A of the Local Government Act 1972 ("the 1972 Act"). To be exempt, information must fall within one of the categories listed in paragraphs 1 to 7 of Schedule 12A, must not fall within one of the excluded categories in paragraphs 8 and 9 and the public interest in maintaining the exemption must outweigh the public interest in disclosing the information.
    - Agenda item 14. "Exempt/Confidential Minutes" (of the meeting of the Cabinet held on 3 October 2012) contained information relating to the financial or business affairs of any particular person (including the authority holding that information). In particular information relating to the financial affairs of the Council.
    - Agenda item 16.1. "Grounds maintenance services procurement" contained information relating to the financial or business affairs of any particular person (including the authority holding that information). In particular information relating to the financial affairs of the Council.
    - Agenda item 19.1. "Learning Disabilities Day Opportunities – Modernisation Programme" contained information relating to the financial or business affairs of any particular person (including the authority holding that information). In particular information relating to the financial affairs of the Council.
- (b) As although there is a public interest favouring public access to local authority meetings, in this case the Cabinet concluded that given the information contained in:
  - Agenda item 14. "Exempt/Confidential Minutes" (of the meeting of the Cabinet held on 3 October 2012) contained information relating to the financial or business affairs of any particular person (including the authority holding that information). In particular information relating to the financial affairs of the Council.

- Agenda item 16.1. "Grounds maintenance services procurement" contained information relating to the financial or business affairs of any particular person (including the authority holding that information). In particular information relating to the financial affairs of the Council.
- Agenda item 19.1. "Learning Disabilities Day Opportunities – Modernisation Programme" contained information relating to the financial or business affairs of any particular person (including the authority holding that information). In particular information relating to the financial affairs of the Council.

that the public interest in maintaining the exemption on the information outweighed the public interest in disclosing it.

#### **14. EXEMPT / CONFIDENTIAL MINUTES**

The Exempt/Confidential minutes (Cabinet 3 October 2012) were presented for information.

#### **15. OVERVIEW & SCRUTINY COMMITTEE**

##### **15.1 Chair's advice of Key Issues or Questions in relation to Exempt / Confidential Business to be considered.**

Nil items.

##### **15.2 Any Exempt / Confidential Decisions "Called in" by the Overview & Scrutiny Committee**

Nil items.

#### **16. A GREAT PLACE TO LIVE**

##### **16.1 Grounds maintenance services procurement**

Report recommendations agreed.

#### **17. A PROSPEROUS COMMUNITY**

Nil items.

#### **18. A SAFE AND COHESIVE COMMUNITY**

Nil items.

**19. A HEALTHY AND SUPPORTIVE COMMUNITY**

**19.1 Learning Disabilities Day Opportunities - Modernisation Programme**

Special circumstances and reasons for urgency agreed.

Report recommendations amended and agreed.

**20. ONE TOWER HAMLETS**

Nil items.

**21. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS CONSIDERED TO BE URGENT**

Nil items.

**22. EXEMPT / CONFIDENTIAL REPORTS FOR INFORMATION**

Nil items.

The meeting ended at 7.17 p.m.

Chair, Mayor Lutfur Rahman  
Cabinet

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# Agenda Item 10.1

<b>Committee/Meeting:</b> Cabinet	<b>Date:</b> 5 <sup>th</sup> December 2012	<b>Classification:</b> Unrestricted	<b>Report No:</b> CAB 55/123
<b>Report of:</b> Corporate Director Resources  <b>Originating officer(s):</b> Simon Kilbey, Service Head HR; Hugh Sharkey, Interim Service Head Procurement		<b>Title:</b> In-House Temporary Resourcing Service  <b>Wards Affected:</b> All	

<b>Lead Member</b>	Cllr Alibor Choudhury
<b>Community Plan Theme</b>	One Tower Hamlets
<b>Strategic Priority</b>	5.2: Work efficiently and effectively as One Council

## 1. **SUMMARY**

- 1.1. This report provides detail on the proposed future model for the sourcing and selection of temporary workers engaged by the Council
- 1.2. The recommended solution is focused on achieving positive outcomes for local residents and local businesses by sourcing temporary workers from the Council's own talent pools and from local SMEs prior to engaging external agency suppliers
- 1.3. This report includes an overview of the elements required to support this model, including: the next iteration of the agency framework contract; the required internal resource; and identification of the local labour network

## 2. **DECISIONS REQUIRED**

The Mayor in Cabinet is recommended to:-

- 2.1. Agree the establishment of the In-House Temporary Worker Resourcing Service (ITRES) as described in this report
- 2.2. Agree the establishment of the Council Resourcing Team to lead and manage this Service
- 2.3. Note outline plans for cross-directorate working between Resources and Development & Renewal to further promote employment opportunities within the Borough for local residents

## 3. **REASONS FOR THE DECISIONS**

- 3.1. The existing temporary staffing contract is due to terminate in March 2013. The future model for the supply of temporary workers to the Council is currently under consideration with any new model required to be operational from April 2013

3.2. Prior to the introduction of the current contract in December 2007, the Council's annual spend on temporary workers was in the region of £35M. This annual spend was reduced during 2011/2012 to £13.3M on temporary workers and £5.6M on project staff through:

- a) Cutting of agency margins from circa 35% to 15%
- b) Standardisation of pay rates
- c) Supply chain rationalisation from over 500 to around 200 agencies
- d) Gaining much greater visibility over the deployment of agency and project workers so that control measures could be applied to challenge or displace their use

In addition, the introduction of the service has delivered the following positive results and major benefits during the contract term:

- e) A centralised system for the ordering, placement and payment of temporary workers;
- f) Complete visibility of the temporary workforce within the Council;
- g) Transparency of spend for the temporary workforce;
- h) Arms-length management of the agency supply chain;
- i) Standardised rules of engagement and regular audit of agency suppliers;
- j) Management Information detailing number and duration of assignments, billed hours, reasons for hire and various other ad-hoc reports; and
- k) A single monthly invoice to dramatically reduce both the number of transactions and the associated finance cost of paying suppliers

3.3. The Council is committed to building on the improvements and the savings realised from the current arrangement and this report describes the additional benefits to the Council of adopting the recommended model. These benefits include:

- a) Continuation of the benefits realised from the existing contract;
- b) Promoting the use of local workers<sup>1</sup>;
- c) Promoting the use of local SMEs<sup>2</sup>;
- d) Reducing hourly cost to hiring managers of recruiting through external suppliers;
- e) Implementation of Council workforce planning objectives; and
- f) Creating a model that enables assimilation with and provides a foundation for Development & Renewal's vision to create a broader "Employment Hub" to provide local temporary staff to other organisations within the Borough

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<sup>1</sup> On average, 1 in 6 temporary workers employed by the Council are resident in the Borough (postcodes E1, E2, E3 and E14)

<sup>2</sup> In 2011/2012, just over 1 in 6 temporary workers were employed through local SMEs, accounting for 10% of the Council's overall spend on agency staff

#### **4. ALTERNATIVE OPTIONS**

- 4.1. The alternative options considered, their implications and the reasons for their rejection are as follows:

##### **Option 1: Continuation of existing model (through LCCF)**

- 4.2. As the lead organisation for the *London Councils Collaboration Framework* (LCCF), the Council initiated an additional competition on the national MSTAR framework contract, resulting in a more advantageous pricing model for London Councils who expressed an interest in the procurement
- 4.3. The LCCF is recognised as being the best value model for the procurement of external agency contracts and will be used by the ITRES for this purpose
- 4.4. There is mention of local SMEs and local candidates within the LCCF, but it lacks detail on the practical application. Furthermore, implementation of such initiatives remains subject to market forces and not under full Council control
- 4.5. There was concern that Council objectives in this regard would not be fulfilled and the option (as a single solution for the Council) was rejected

##### **Option 2: Full procurement exercise**

- 4.6. There is an option not to use the LCCF and to independently procure an agency supply chain to support the Council's temporary worker requirement. An IT system to support the ordering, "timesheeting" and invoicing of temporary workers would also need to be procured
- 4.7. There are a number of reasons why this option has not been considered viable, including:
- a) Additional procurement costs (including time and resource);
  - b) Additional running costs of the agency supply chain versus the LCCF;
  - c) Additional internal resource required to manage the contracts with the agency supply chain and the IT provider; and
  - d) Additional costs of implementation, maintenance and licensing of IT system;
- 4.8. There would be no advantage to the Council in proceeding with this option over the recommended solution and the minutes accompanying the previous report into the "Provision of Temporary Staff" (CAB 028/112) on 3<sup>rd</sup> August 2011 commented that: "...bringing the provision of the managed service provider function in-house would be both complex and lengthy"

##### **Summary of alternative options**

- 4.9. The matrix below shows the relative advantages of each option against the Council objectives (defined in the introduction to this report) measured against those achieved by the recommended solution:

Council Objectives	Option 1	Option 2	Recommended Solution
Continuation of existing contract benefits	Y	N	Y
Promoting local candidates	N	Y	Y
Promoting local businesses	N	Y	Y
Reducing cost to hiring managers	Y	N	Y
Implementing Council workforce planning objectives	Y	Y	Y

Table 4.9

- 4.10. In summary, neither option 1 nor option 2 allows the Council to achieve all of its objectives

## 5. **BACKGROUND**

- 5.1. A report was submitted to Cabinet for review on 3<sup>rd</sup> August 2011 regarding the “Provision of Temporary Staff” (CAB 028/112). The report responded to requests from the Executive to comment on the feasibility of establishing a local talent pool and managing the resourcing function in-house
- 5.2. Following submission of the report, it was agreed *inter alia* that:
- a) The existing Managed Service Contract at the time be extended for a maximum time period of 18 months from September 2011; and
  - b) A further report be brought to Cabinet, subsequent to a feasibility study on the practicalities, costs, benefits and timescales of bringing the service in-house

## 6. **BODY OF REPORT**

- 6.1. A study has been conducted jointly by Human Resources and Procurement into an In-House Temporary Worker Resourcing Service. Key considerations for the future shape of the service to the Council were:
- a) Adopting a best value model from the LCCF;
  - b) Approving the establishment of a Council Resourcing Team to manage the temporary worker resourcing function and to client the resourcing system and framework of external agency contracts; and
  - c) Positively contributing to the Council’s vision including the “Workforce to Reflect the Community (WFTRC)” plan and the “Tower Hamlets Enterprise Strategy” by:

- Increasing the number of temporary workers sourced locally; and
- Proactively engaging local SMEs as part of the supply chain

6.2. Currently all staffing requirements are placed by hiring managers onto the CNet system and released to the agency supply chain by Comensura. The current service can be visualised as follows:

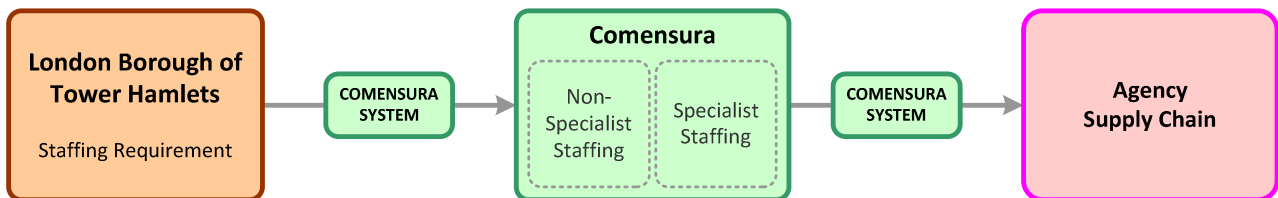


Fig 6.1

6.3. The proposed future model will consist of three main elements:

- 1) A Council Resourcing Team (CRT) to manage the sourcing of workers for temporary roles within the Council
- 2) A labour support network comprised of the Council's Skillsmatch service, Local SMEs and various internal pools of staff
- 3) Agency supply delivered through a framework contract consisting of a large number of external agency suppliers. This contract is dealt with in the Contracts Forward Plan report which is presented to this Cabinet..

All staffing requirements will come to the CRT (with the appropriate governance through the Council's People Board) who will control the distribution of orders across the support network, as follows:

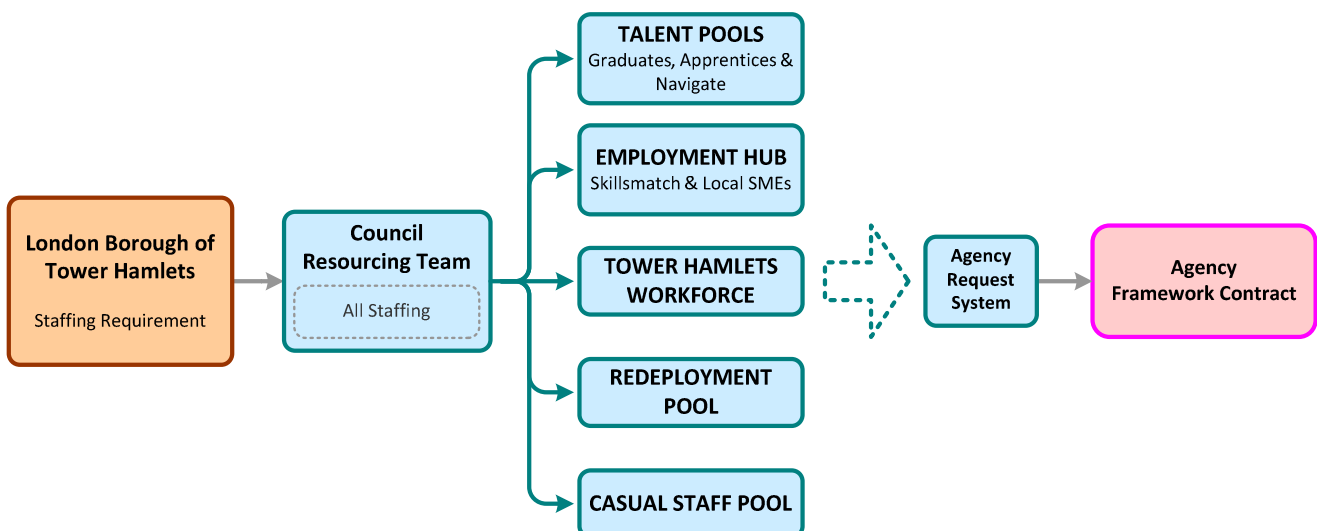


Fig 6.2

6.4. Staffing requirements will be placed using the online ordering system and CRT will facilitate the necessary approval checks

6.5. CRT will source staff from an internal database of candidates to include:

- a) Talent Pools comprised of individuals from the apprenticeship, graduate recruitment and Navigate career development schemes;
  - b) The D&R Employment Hub including local SME agencies, the Skillsmatch labour pool and partner organisations;
  - c) Existing temporary workers reaching assignment end and part-time staff seeking additional hours;
  - d) The Council's redeployment pool; and
  - e) Pools of casual workers
- 6.6. In instances where the required skills/experience are unavailable from the CRT database, the staffing requirement will then be sourced from the framework of external agencies. Steps will be put in place to ensure delays in supply of specialist skills are kept to a minimum.
- 6.7. It is recognised that the internal candidate database will need to build capacity over the first 12 months, especially within "specialist" staffing categories. The framework of external agencies will be utilised more frequently during this period. However, this dependency will reduce over time as CRT's capability increases

### **Staffing of the Service**

- 6.8. The following posts will be created to provide the service:
- a) Contract Manager (FT, PO4<sup>3</sup>);
  - b) People Resourcing Advisor (PT, SO2); and
  - c) Administration Officer (PT, Sc4)
- 6.9. The existing People Resourcing Team Manager post will be enhanced from PO6 to PO7 to reflect the additional duties in managing the service
- 6.10. The post holders will be responsible for:
- a) Providing a temporary worker resourcing service for all categories of staff;
  - b) Building and maintaining a Council-owned database of temporary workers that meets the demands of the Council's services;
  - c) Managing relationships with Council stakeholders such as Commissioning Managers and HR Business Partners;
  - d) Communicating and implementing Council objectives with hiring managers and the external framework of agencies;
  - e) Acting as client manager for the resourcing system and the external framework of agencies;
  - f) Supporting the Tower Hamlets Employment Strategy;
  - g) Sourcing a high proportion of candidates from the local community and improving employment opportunity for local residents; and
  - h) Providing Management Information to Council stakeholders

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<sup>3</sup> Please note that all grades are currently indicative and subject to evaluation

## **Future Labour Supply**

- 6.11. Candidates will be sourced from the local community using the following methods:
- a) Advertising the service internally to existing temporary workers, part-time staff and externally through Skillsmatch, Job Centre Plus and other Borough media;
  - b) Partnering with Skillsmatch to utilise their existing database of 3,000 local candidates; and
  - c) Redeploying Council staff at risk of redundancy and those approaching the end of Council placement and trainee schemes
- 6.12. The local labour supply will be supported by an external framework of agencies selected from the London Council's Collaboration Framework to allow:
- a) Outline specifications and costs for the framework of agencies to be defined under the terms of this framework contract; and
  - b) The Council to pre-define the role of CRT, the wider service structure and access to the technology platform under the contract specification

## **7. COMMENTS OF THE CHIEF FINANCIAL OFFICER**

- 7.1. This report describes the proposed future model for the sourcing and selection of temporary workers engaged by the Council with the creation of an In-House Temporary Worker Resourcing Service.
- 7.2. The current Managed Service contract for procuring temporary and agency staff to the Council costs £455,000 pa and these costs are recharged to the service Directorates based on their usage of staff. This contract is now subject to renegotiation and revision as a result of the creation of the new in-house service. A new Managed Service contract for temporary and agency staff is expected to start April 2013.
- 7.3. The current proposals in the report for additional staff for the new in-house team are expected to cost an additional £87,222 per year. These costs will be recharged as an overhead to the costs of the new Managed Service contract when it commences.
- 7.4. If the Council agrees further action in response to this report's recommendations then officers will be obliged to seek the appropriate financial approval before further financial commitments are made.

## **8. CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)**

- 8.1 The recommendations put forward in this report are dependent on the successful procurement and award of the new Managed Service contract which is the subject of a separate report to Cabinet: the contracts forward plan report. Should the implementation of that contract be delayed beyond 1st April 2013 this will present considerable practical problems in implementing the recommendations of this report.
- 8.2 The Council is subject to duties under the Equality Act 2010 not to discriminate. These include the following –

- The Council must not discriminate against a person holding a protected characteristic in the arrangements that it makes for deciding whom to offer employment or in the way it affords access to opportunities for promotion, transfer or training (section 39 of the Act).
  - The Council must not discriminate against contract workers as to the terms on which they are allowed to do the work, by not allowing them to do or continue to do the work or in the way that they are afforded access to opportunities (section 41 of the Act).
  - If the Council becomes an employment service provider the requirements of section 55 of the Equality Act will also apply and the Council has an additional duty not to discriminate against a person in the arrangements that the service-provider makes for selecting persons to whom to provide or offer to provide the service
- 8.3 Sections 158 and 159 of the Equality Act 2010 deal with the limits of positive action. Section 158 specifies what is generally permissible by way of positive action and section 159 specifies the permissible limits of positive action in relation to recruitment and promotion. The provisions relate to “protected characteristics”, which is a new term introduced by the Equality Act 2010 and which are: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.
- 8.4 The Council may generally take positive action where it reasonably considers that: (1) persons who share a protected characteristic suffer a disadvantage connected to the characteristic; (2) persons who share a protected characteristic have needs that are different from the needs of persons who do not share it; or (3) participation in an activity by persons who share a protected characteristic is disproportionately low. Positive action may be taken to overcome such difficulties, provided it is not prohibited by a statute other than the Equality Act 2010.
- 8.5 In relation to recruitment and promotion, the Council may take positive action if it considers that persons who share a protected characteristic suffer a disadvantage connected with the protected characteristic, or that participation in an activity by persons who share a protected characteristic is disproportionately low. Positive action means treating a person (A) more favourably in connection with recruitment or promotion than another person (B) because A has the protected characteristic and B does not. The Council may take positive action with a view to enabling or encouraging persons who share a protected characteristic to overcome or minimise the identified disadvantage, or to participate in the activity in which participation by persons with the protected characteristic has been identified as low (“the Permissible Aims”).
- 8.6 That said, the Equality Act 2010 places clear restrictions on positive action. The Council may only take positive action if: (1) A is as qualified as B to be recruited or promoted; and (2) taking the action in question is a proportionate means of achieving the Permissible Aims. The Council must not have a policy of treating persons who share a protected characteristic more favourably in connection with recruitment or promotion than persons who do not share it. The Home Office guidance on positive action in recruitment says that “In practice it allows an employer faced with making a



choice between two or more candidates who are of equal merit to take into consideration whether one is from a group that is disproportionately under-represented or otherwise disadvantaged within the workforce”. This presumes that a fair selection process has been undertaken and that persons without a protected characteristic, of equal merit to those with, have been given the opportunity to apply for vacancies and that there is a genuine comparator against whom you can match the person with a protected characteristic when deciding who should be offered the role.

- 8.7 To the extent that the recommendations in the report are designed to benefit local residents, they must be implemented in a manner that remains within the permissible range of positive action. The Council runs the risk of indirectly discriminating against individuals who do not fit within the target group by applying a provision, criterion or practice which puts those people at a disadvantage to those contained in the target group and who share a protected characteristic.
- 8.8 In adopting the policy, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't. Some form of equality analysis is required and the information relevant to this is set out in section 9 of the report.

## **9. ONE TOWER HAMLETS CONSIDERATIONS**

- 9.1. The One Tower Hamlets theme is focused on ensuring that residents have an equal stake and status and we are committed to reducing inequalities, fostering cohesion and supporting strong community leadership. Delivering the recommendations within this report will support a number of key activities within Tower Hamlets' strategic priorities, including:
- a) Fostering enterprise and employment by supporting local businesses and local people into work; and
  - b) Implementing a Talent Pool approach to further the ambition for a workforce that reflects the community
- 9.2. Implementation of the proposed ITRES will directly assist in meeting the strategic priorities within the “Prosperous Community” and “One Tower Hamlets” themes
- 9.3 The report demonstrates ‘due regard’ to the Public Sector Equality Duty through the recognition of the Workforce to Reflect the Community benefits of the approach and activities to increase representation of groups who are most likely to be unemployed.

## **10. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 10.1 The proposed recruitment of increased numbers of local residents will contribute to lowering average weekly travel times for workers both commuting outside of the Borough and those commuting from outside of the Borough to the Council

**11. RISK MANAGEMENT IMPLICATIONS**

11.1 There are no significant risks identified in the provision of a temporary recruitment service

**12. CRIME AND DISORDER REDUCTION IMPLICATIONS**

12.1 There is no direct effect on Crime and Disorder, however there may be an indirect positive effect through increased employment opportunities for local residents

**13. EFFICIENCY STATEMENT**

13.1 The outcomes of the future model will result in more efficient management of the Council's temporary workforce through better planning, improved contract control and increased value for money

**14. APPENDICES**

None

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**Local Government Act, 1972 Section 100D (As amended)  
List of "Background Papers" used in the preparation of this report**

Brief description of "background papers"

Name and telephone number of holder and address where open to inspection.

**Report to Cabinet "Provision of Temporary Workers" (CAB028/112)**

<http://moderngov.towerhamlets.gov.uk/mg/Convert2PDF.aspx?ID=3444&T=10>