

MAYOR'S EXECUTIVE DECISION MAKING

Wednesday, 18 January 2017

Mayor's Decision Log No. 145


1. **AWARD OF CONCESSION CONTRACT FOR CHARTERED
MANAGEMENT INSTITUTE (CMI) LEADERSHIP AND MANAGEMENT
PROGRAMME AT LEVELS 2, 3, 5 AND 7 (Pages 1 - 12)**

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, Committee Manager, Democratic Services

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Agenda Item 1

Individual Mayoral Decision Proforma Decision Log No: <u>145</u>	 TOWER HAMLETS
Report of: Zena Cooke, Corporate Director, Resources	Classification: [Unrestricted]
Award of concession contract for Chartered Management Institute (CMI) leadership and management Programme at Levels 2, 3, 5 and 7	

Is this a Key Decision?	No
Decision Notice Publication Date:	Not applicable
General Exception or Urgency Notice published?	Not required
Restrictions:	Not applicable
Reason for seeking an Individual Mayoral Decision:	This individual Mayoral Decision is being sought due to the urgent timescales for accessing the Chartered Management Institute leadership and management programme free of charge via Skills Funding Agency.

EXECUTIVE SUMMARY

- 1.1 Due to the urgent timescales for accessing the Skills Funding Agency's grant funding by March 2017, this report is to seek an Individual Mayoral Decision to enable the organisation to award a concession contract in excess of approximately £335,700 to Management Focus Training Solutions Ltd. This would enable the Council to access free Chartered Management Institute (CMI) leadership and management programmes at level 2, level 3 and level 5 to a wide range of managers across the organisation.
- 1.2 The London Borough of Tower Hamlets (LBTH) published an invitation to tender for a concession contract from 16th December 2016 to 4th January 2017. The aim was to identify a supplier to deliver a range of Chartered Management Institute (CMI) leadership programmes at Level 2, Level 3, Level 5 and Level 7. There was only one bid received from Management Focus Training Solutions Ltd.
- 1.3 The opportunity to access 100% sponsorship for the CMI leadership and management programmes via the Skills Funding Agency will end in March 2017 and will be replaced by a new funding procedure via a levy system. The levy will not offer 100% funding. The Council would therefore like to take advantage of the current eligibility to access funds in January 2017 to help sponsor managers eligible to undertake the

Chartered Management Institute (CMI) leadership and management development programmes.

- 1.4 Based on an assumption that potentially 150 staff may be interested in accessing this opportunity, we have estimated the concession contract value to be in excess of approximately £335,700. This has been calculated based on average costs on the market ranging between £925 and £3,550 per person. The total estimated cost constitutes approximately 0.21% of the Council's yearly salary budget.

Full details of the decision sought, including setting out the reasons for the recommendations and/or all the options put forward; other options considered; background information; the comments of the Chief Finance Officer; the concurrent report of the Head of Legal Services; implications for One Tower Hamlets; Risk Assessment; Background Documents; and other relevant matters are set out in the attached report.


DECISION

Approve the award of this concession contract which may be in excess of £335,700 Management Focus Training Solutions Ltd. This would enable the Council to take advantage of the Skills Funding Agency funds currently available for the free sponsorship of Chartered Management Institute (CMI) leadership and management programmes for eligible leaders and managers across the Council.

APPROVALS

1. (If applicable) Corporate Director proposing the decision or his/her deputy

I approve the attached report and proposed decision above for submission to the Mayor.

Signed  Date 18/1/17

2. Chief Finance Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

Signed  Date 18/1/17

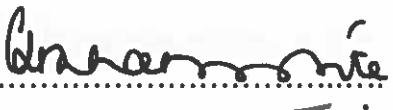
3. Monitoring Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

(For Key Decision only – delete as applicable)

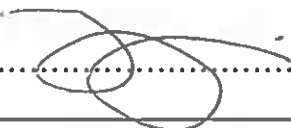
I confirm that this decision:-

- (a) has been published in advance on the Council's Forward Plan OR
- (b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.


Signed  Date 18/01/17

4. Mayor

I agree the decision proposed in the recommendations above for the reasons set out in paragraphs 1.1 to 1.5 in the attached report.

Signed  Date 18/1/17

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Individual Mayoral Decision	 TOWER HAMLETS
Report of: Zena Cooke, Corporate Director, Resources	Classification: Unrestricted
Award of concession contract for Chartered Management Institute (CMI) leadership and management Programme at Levels 2, 3, 5 and 7	

Lead Member	Councillor David Edgar, Cabinet Member for Resources
Originating Officer(s)	Stuart P Young, Interim HR, OD and Transformation Manager and Delphine Garr, Leadership development Manager
Wards affected	All wards
Key Decision?	No
Community Plan Theme	A transformed council, making best use of resources and with an outward looking culture

Executive Summary

Due to the urgent timescales for accessing the Skills Funding Agency's grant funding by March 2017, this report is to seek an Individual Mayoral Decision to enable the organisation to award a concession contract in excess of approximately £335,700 to Management Focus Training Solutions Ltd. This would enable the Council to access free Chartered Management Institute (CMI) leadership and management programmes at level 2, level 3 and level 5 to a wide range of managers across the organisation

Recommendations:

The Mayor is recommended to:

1. Approve the award of this concession contract which may be in excess of £335,700. This would enable the Council to take advantage of the Skills Funding Agency funds currently available for the free sponsorship of Chartered Management Institute (CMI) leadership and management programmes for eligible leaders and managers across the Council.

1. REASONS FOR THE DECISIONS

- 1.1 Due to the urgent timescales for accessing the Skills Funding Agency's grant funding by March 2017, this report is to seek an Individual Mayoral Decision to enable the organisation to award a concession contract in excess of approximately £335,700 to Management Focus Training Solutions Ltd. This would enable the Council to access free Chartered Management Institute (CMI) leadership and management programmes at level 2, level 3 and level 5 to a wide range of managers across the organisation.
- 1.2 The opportunity to access 100% sponsorship for the CMI leadership and management programmes via the Skills Funding Agency will end in March 2017 and will be replaced by a new funding procedure via a levy system. The levy will not offer 100% funding. The Council would therefore like to take advantage of the current eligibility to access funds in January 2017 to help sponsor managers eligible to undertake the Chartered Management Institute (CMI) leadership and management development programmes.
- 1.3 Based on an assumption that potentially 150 staff may be interested in accessing this opportunity, we have estimated the concession contract value to be in excess of approximately £335,700. This has been calculated based on average costs on the market ranging between £925 and £3550 per person. The total estimated cost constitutes approximately 0.21% of the Council's yearly salary budget.
- 1.4 As this is a concession contract the Council will not be paying for the level 2, 3, and 5 programmes which constitute the bulk of the estimated costs (£294,700). The Council will make a contribution towards the Level 7 programme for a maximum of 20 senior managers at a total cost of approximately £41,000.
- 1.5 In line with the corporate priority – *a transformed Council, making best use of resources and with an outward looking culture* - the Council is committed to the development of managers across the organisation in order to enhance their leadership and management knowledge and skills. This would enable managers to actively participate in the current change programme; thus enabling the organisation to make the best use of resources and facilitate collaborative working across the borough.

2. ALTERNATIVE OPTIONS

- 2.1 ***Alternative option one*** - the Council could fully fund the cost of these programmes from its own budget which could cost in excess of £335,700.
- 2.2 ***Alternative option two*** - the Council could choose not to offer this development opportunity at all to managers and leaders.
- 2.3 Both of these options will be detrimental to our leadership and management

development approach and will be in conflict with our priority to make the best use of resources and create an organisational learning culture. Our organisational success is based on a highly skilled community of managers who are able to motivate and empower staff; and also drive current and future change effectively.]

3. DETAILS OF REPORT

- 3.1 The London Borough of Tower Hamlets (LBTH) published an invitation to tender for a concession contract from 16th December 2016 to 4th January 2017. The aim was to identify a supplier to deliver a range of Chartered Management Institute (CMI) leadership programmes at Level 2, Level 3, Level 5 and Level 7. There was only one bid received from Management Focus Training Solutions Ltd.
- 3.2 The CMI leadership development intervention are aligned to our leadership and management development programme offer as agreed with CMT on 19th October 2016. It will enable the organisation to develop many managers across the Council to help facilitate the upskilling of managers to enable them to do their core functions effectively and to drive the change programme and improve performance.
- 3.3 CMT has agreed a leadership and management development programme to provide a structured, coherent and consistent leadership and management development opportunities for managers across the organisation. This includes the provision of a range of CMI leadership and management programmes which have been identified as necessary for leaders and managers at different levels of management practice. The aim is to enable them to develop their leadership and management knowledge and skills, especially project management skills, managing change and building resilience. Thus enabling them to become stronger leaders and positive role models to motivate, inspire and empower staff.
- 3.4 Enabling this volume of managers across the organisation to undertake the CMI programmes will help to upskill managers and leaders at varied levels of the organisation; helping the organisation to effectively manage current and future challenges.
- 3.5 The design of the Tower Hamlets Leadership and management development programme reinforces the importance of the CMI programmes. Giving managers the opportunity to undertake this programme enables the organisation to achieve the appropriate balance towards developing managers and promotes organisational learning.
- 3.6 In this context, it is particularly important that we have effective resources in place to support high quality and consistent learning and development for our managers; including high quality accredited programmes such as the CMI courses.

- 3.7 Approximately 150 managers will be eligible to participate in the Chartered Management Institute Programme at Levels 2, 3, 5 and 7. However, the programme will not be mandatory and it is unclear how many staff will apply for the programme.
- 3.8 Level 2 CMI programme (aspiring managers) will be offered to approximately 5,000 staff after which there will be a selection process. Total number of learners cannot be guaranteed as it is unclear how many staff will apply. This programme will serve as the first stage of our Aspiring Leaders programme.
- 3.9 Level 3 CMI programme (supervisors / first line managers) will be offered to approximately 800 managers after which there will be a selection process. Total number of learners cannot be guaranteed as it is unclear how many people will apply.
- 3.10 Level 5 CMI programme (management responsibility – service managers and middle managers) will be offered to approximately 400 managers after which there will be a selection process. Total number of learners cannot be guaranteed as it is unclear how many people will apply
- 3.11 Level 7 CMI programme (Service heads and above) will be offered to approximately 20 of our most senior leaders and managers. Total number of learners cannot be guaranteed as it is unclear how many managers will apply.
- 3.12 The Council's workforce whilst broadly representative of the community is under represented at management levels. This programme is one initiative could help to equip staff to progress their careers with Tower Hamlets.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The total value of the contract detailed in this report is approximately £335,700. The Council commitment from its own resources is estimated as £41k and this will be met through existing budgets set aside for staff training and development. However these contractual arrangements will also allow the authority, through the provider Management Focus Training Solutions Ltd, to access additional staff training that will be funded through Skills Funding Agency (SFA) grants. It is estimated that in the region of £294,700 SFA grants could be available but this will depend on the number of staff that take up the training offer.

5. LEGAL COMMENTS

- 5.1 This report concerns the proposal to enter into a concession contract with Management Focus Training Solutions Ltd further to a competitive procurement exercise in relation to Chartered Management Institute (CMI) leadership and management programme at level 2, 3 and 5 to a wide range of managers across the Council.

- 5.2 The purpose of entering into the contract is to enable the Council to access the Skills Funding Agency's grant funding by March 2017.
- 5.3 The Council has power to enter into a contract for a third party to deliver the Services which arises by virtue of section 111 of the Local Government Act 1972, providing the power enabling the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. Under section 1 of the Localism Act 2011, the Council has the power 'to do anything that an individual may do' 'for the benefit of the authority, its area or persons resident or present in its area'. The Council may be satisfied that it has the enabling power(s) to initiate a procurement exercise for the Services and award any subsequent contracts pursuant to that competition.
- 5.4 The subject matter of the Services falls within the description of Part 2 of the Public Contracts Regulations 2015 (Regulations) and the estimated value of the contract (circa, £335,700) exceeds the relevant threshold contained in the Regulations. In view of this the Council subjected the Services to a level of competition through the Council's procurement portal and therefore it would appear to have complied with the principles of transparency and equal treatment.
- 5.5 The Council's procurement procedures (Procedures) require that for this type and value of procurement, the "tollgate" process is followed and it would appear from the information provided that those relevant requirements have been complied with to date.
- 5.6 The Council has an obligation as a best value authority under section 3 of the Local Government Act 1999 to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness." Compliance by the Council with its own Procurement Procedures in tendering for the services and complying with the requirements of the Regulations should assist to satisfy these requirements. However, the Council would also need to be satisfied that entering into the Contract and the engagement of Creative will also provide best value.
- 5.7 When considering its approach to contracting, 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 do not (the public sector equality duty). Officers are expected to continuously consider, at every stage, the way in which procurements conducted and contracts awarded satisfy the requirements of the public sector equality duty. This includes, where appropriate, completing an equality impact assessment which should be proportionate to the function in question and its potential impacts.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 [Recruitment onto the programme will be operated within the existing Council equality and diversity policy and framework. The grant eligibility criteria require that individual learners should be over age 16 and should be working 20 hours a week. This may impact on some part-time staff.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 This concession contract reinforces the Council's commitment towards spending public money in the most efficient way. Approximately 88% of the estimated cost will be sponsored free via Skills Funding Agency funds. This represents a significant value for money for the Council. The plan is to keep our options open for 36 months to give the Council an opportunity to take advantage of any new eligibility for future grant funding.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 There will be indirect benefits from the training received by managers; resulting in better managed services [Authors should explain how the proposals in the report will contribute to a sustainable environment and/or identify any environmental implications of the proposals and the action proposed to address these. This includes reference to the Council's statutory obligation to improve air quality.]

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 There are no major financial risks to the Council. However, if the supplier were to go into administration the leaders and managers enrolled on the programme will be unable to complete their programme. As part of the procurement process we will check the supplier's performance and past references to mitigate this.
- 9.2 All the eligible managers may not be enrolled before March 2017. We are taking steps to ensure that all managers interested in undertaking the programme are all enrolled on the programme before the end of March 2017.
- 9.3 If the Skills Funding Agency withdraws the funding managers will be unable to complete the programme.
- 9.4 If the supplier is unable to access the Skills Funding Agency funds in time managers will be unable to access this development opportunity. We are working to ensure that as soon as we receive approval the process will be expedited to enrol the learners as applicable.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 Not applicable.

11. SAFEGUARDING IMPLICATIONS

- 11.1 Indirect benefits following attendance at the course as managers and leaders will be better equipped to provide effective directives for safeguarding and managing risks.
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Linked Reports, Appendices and Background Documents

Linked Report

- CMT Report for 19th October 2016 - Corporate Learning and Development Offer

Appendices

- NONE.

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE

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