

North Lanarkshire Council Report

Enterprise and Growth Committee

approval noting

Ref LMcM/EW

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Routes to Work 2018-19 and 2019-20 Performance

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Executive Summary

This report outlines Routes to Work Ltd.'s performance against its' charitable objectives and Council priorities for 2018/19 and 2019/20. This report also provides commentary in respect of the charity's governance arrangements to provide assurance that Council obligations are being satisfied.

The financial performance of Routes to Work Ltd for 2019/20 and overall financial standing will be reported to committee in Cycle 4 2020 with 6 monthly updates given thereafter.

Recommendations

Members are asked to:

- (1) Note Routes to Work operational performance for 2018/19 and 2019/20, along with wider achievements during that period.

The Plan for North Lanarkshire

Priority Improve economic opportunities and outcomes

Ambition statement (11) Increase economic opportunities for adults by understanding, identifying, and addressing the causes of poverty and deprivation and barriers to financial inclusion

1. Background

Routes to Work, established in 2002, is a company limited by guarantee with charitable status which is owned by North Lanarkshire Council. The organisation provides a range of free employability services to North Lanarkshire residents and specialises in providing case worker support to unemployed residents as well as support with accessing vocational training and the short term costs associated with moving from benefits to employment, such as childcare and travel. They also provide in-work support for up to 6 months for those participants that require it.

In January 2017 the company amended its Memorandum and Articles of Association to extend its area of operation into other local authority areas thereby enabling Routes to Work to bid to deliver national employability programmes in these areas. This is intended to support the long term sustainability of the company.

While joint delivery of the Council's EU funded programme has been and is currently the major source of income for Routes to Work, in the past the organisation has delivered a wide range of other programmes on behalf of the Council or in conjunction with the Council's Employability team and those for 2018/19 and 2019/20 are appended to this report. In terms of current delivery on behalf of the Council, the organisation has three Service Level Agreements (ESF Pipeline, No One Left Behind & Parental Employment Service) in-place for 2020/21. In addition the organisation also generates additional income from its own Employability Fund contract with Skills Development Scotland.

Routes to Work's Board of Directors consists of up to ten members – two are Category A members appointed by North Lanarkshire Council (one is an elected member and one is a senior Council officer) and up to eight Category B directors, who bring specialist expertise to the company and are selected through a formal nominations procedure. The Board currently has 6 independent directors with interests and/or experience in local community development and engagement, lifelong learning and skills, business development and support, HR and Law. In June 2020, a new appointment was approved to join the board and this will take the independent directors to 7 once the process has been completed. The Board of Directors has responsibility for ensuring that Routes to Work's services are delivered in accordance with approved Service Level Agreements and charitable objectives, and meets quarterly to fulfil these duties.

Routes to Work's performance was previously considered by the former ALEOs and External Bodies Monitoring Sub Committee on a 6 monthly basis. Following changes to the council's Scheme of Administration, responsibility for oversight of service delivery by arm's length bodies now rests with the relevant service committee. The functions delivered by Routes to Work on behalf of the council fall within the Terms of Reference of this committee and a six monthly performance report will now be submitted in line with the Strategic Performance Framework considered by members in November 2019. The report will confirm where Routes to Work is fulfilling its contractual obligations and meeting the council's service delivery expectations, as well as providing information from Financial Solutions on financial performance and overall financial standing within the company. This information will help give early warning of any financial risks which may give rise to operational or reputational risks for the council.

Engagement has also taken place with Routes to Work to identify where the company's business objectives are aligned to support The Plan for North Lanarkshire and individual Programme of Work areas. This commitment to support the council and align the charity's business objectives with those of the council is very much evidenced by Routes to Work recently assigning 13 staff members to support delivery of the council's Shielding Programme in the early set up and ongoing delivery phases. Future update reporting by individual Lead Officers responsible for specific Programmes of Work will also reference the contribution that Routes to Work is making in these areas – for example, Developing the Young Workforce and Employability Services.

The above measures strengthen the role of service committees by enabling members to consider the totality of services and activities being provided, by both the council and its ALEOs.

2. Report

2.1 Performance Indicators

The performance reporting framework is aligned to the Council's Plan for North Lanarkshire and its Performance Framework, and the core services that the company delivers on behalf of the Council are subject to annual service level agreements, which outlines the maximum level of funding available as well as targets to be achieved in the each year.

Appendix 1 demonstrates performance in each of these programmes for 2018/19 and 2019/20.

2.2 ALEO Review

Routes to Work were included in phase 3 of the ALEO Review programme. The review commenced in September 2018 and was completed in August 2019. In addition to contractual performance monitoring by this committee, the Audit and Scrutiny Panel is responsible for ensuring the effectiveness of each entity's governance arrangements, including financial governance. The Policy and Strategy Committee retains responsibility for considering the outputs from reviews by the council into its arm's length delivery arrangements, including recommendations in relation to Best Value and potential future delivery options. The outcomes from the review of Routes to Work were considered by the Policy and Strategy Committee at its meeting in September 2019 where it was noted that the charity is performing well and delivering on its key objectives. The options appraisal confirmed that retaining Routes to Work as an arm's length provider remained the best option for the council and identified further opportunities to align activities more closely with The Plan for North Lanarkshire and the separate, wider review of employability services. The outcomes from this employability review were subsequently reported in March 2020 with the Policy and Strategy Committee noting Routes to Work's high performance and effective partnership working arrangements to deliver EU funded employability programmes on behalf of the council.

2.3 Service Delivery Highlights

2.3.1 Working Matters programme:

Working Matters was part of the City Deal Programme and it concluded in March 2019. An evaluation of Working Matters was commissioned from Ekosgen consulting by the City Region Programme Management Office and the final evaluation was published in July 2019. The delivery of the programme in North Lanarkshire demonstrated the effectiveness of the local partnership but in particular the high performance of Routes to Work in the delivery of the programme.

Performance in North Lanarkshire was significantly better than in any of the other seven local authorities. The average performance of the overall programme across the Glasgow City Region was 95% of targets into work with North Lanarkshire achieving 170%. Without the contribution of North Lanarkshire the overall programme performance would have reduced to 85%. The average cost per job across the region was £17,260 though for Routes to Work it was £10,308 per job and without the North Lanarkshire performance, this would have been £19,018 per job.

2.3.2 Winter Pathways programme impact:

Routes to Work allocated 1.5 posts to supporting young people at school who were at risk of entering a negative destination. This resource was an integral element of the 'Winter Leavers Pathways Programme' which was led by Education & Families. The programme had considerable success and Routes to Work supported over 25 of these young people into work. The plans are in place to continue with a similar programme for school leavers and Routes to Work will again be an intrinsic part of the new Pathways Programme.

2.3.3 No One Left Behind (NOLB):

NOLB is a Scottish Government policy direction and funding stream that emerged in 2018 and developed in 2019. In 2019/20 Routes to Work delivered part of NOLB on behalf of the Council by providing services for two participant groups: People aged 50+ and young people (Aged 16-24) with a mental health issue. These services started in July 2019 and were quickly configured to deliver on the priorities of the programme. The service was implemented and has already delivered results in the first 3 quarters.

2.3.4 Cyber Essentials Accreditation:

Cyber Essentials is a nationally recognised quality standard that confirms organisations have appropriate cyber security controls and infrastructure and is externally verified by approved IT experts. The assessment involved completion of an independently checked self-assessment questionnaire and a vulnerability assessment of Routes to Work's entire IP range; the standard focusses on 5 areas: Secure configuration, Boundary firewalls and Internet gateways, Access control and administrative privilege management, Patch management and malware protection. The company were awarded the Cyber Essentials Accreditation in November 2019.

2.3.5 **Quality Scotland: Committed to Excellence Award**

During the operational year 2019/20 the company developed three improvement projects using the EFQM framework methodology. These projects were: Business Continuity Planning, SQA Qualifications Development and Minimum Service Levels development & implementation.

The three projects were progressed between July 2019 and January 2020 and an assessment by Quality Scotland was undertaken in February 2020. The assessment visit confirmed that Routes to Work fully met all the criteria and achieved Committed to Excellence status which is valid for 2 years from the visit date.

2.3.6 **1140 Childcare Partnership Work:**

Routes to Work, North Lanarkshire Council, Job Centre Plus & the Council for Ethnic Minority Voluntary Organisations worked collaboratively to offer opportunities to North Lanarkshire residents to secure employment as part of the 1140 childcare expansion. This partnership with NLC's recruitment division showed a commitment to supporting all clients of Routes to Work and was a huge success with a large number of clients receiving offers of employment.

2.3.7 **Community Benefit Clause collaboration:**

Routes to Work and North Lanarkshire Council have advanced their relationship further by partnering up with the new supply and new build projects to support Community Benefits and offer employment opportunities for North Lanarkshire residents in most need of support.

2.3.8 **Events:**

Routes to Work ran a range of events across North Lanarkshire to provide support for client groups most in need of support. This included a Veterans event run in partnership with Job Centre Plus, Skills Development Scotland and Citizens Advice Scotland. There was an event held for people aged over 50 at a local Culture and Leisure NL venue, with the Council's employability services and Job Centre Plus. There is a planned health and social care recruitment event in partnership with NHS Lanarkshire, Job Centre Plus, Skills Development Scotland, New College Lanarkshire and the independent care sector. These events ensure those furthest away are not being left behind and they also help attract new clients into growth sectors.

3. Equality and Diversity

3.1 Fairer Scotland Duty

Promoting inclusive growth and ensuring that all north Lanarkshire residents have opportunities to enter employment, training or education is at the heart of the Council's ambitions. Routes to Work contribute to that goal by tailoring support to residents to secure and maintain employment.

3.2 Equality Impact Assessment

There are no specific impacts to note.

4. Implications

4.1 Financial Impact

The company has all expenditure on Council funded projects verified each quarter, has two annual checks on its accounting processes per year by Financial Services and is externally audited annually. The financial performance of Routes to Work Ltd for 2019/20 and overall financial standing will be reported to committee in Cycle 4 2020 with 6 monthly updates given thereafter.

4.2 HR/Policy/Legislative Impact

There are no HR/Policy/Legislative impacts linked to this report.

4.3 Environmental Impact

There are no environmental impacts linked to this report.

4.4 Risk Impact

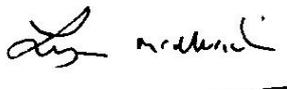
Routes to Work maintain a detailed risk register which is presented to each Board meeting. In terms of the Council, the risk of Routes to Work and the wider employability programmes being deemed non-compliant with external funders is present.

5. Measures of success

- 5.1 Routes to Work Ltd. continue to provide an effective employability service on behalf of the Council to support unemployed and underemployed residents of North Lanarkshire. Across current service level agreements in 2020/21 Routes to Work are committed to supporting 1,052 people into employment.

6. Supporting documents

- 6.1 Routes to Work – 2018/19 and 2019/20 Performance



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Head of Communities

Appendix 1

Employability Programme	Indicator	Target Outcome/ Purpose	2018/19 actual	2019-20 target	2019 -20 Actual	Blue Red Amber Green	Comments
Single Work Programme (Department of Work & Pensions)	The number of job entries	Job entries secured	16	N/A	N/A	N/A	The last referral for Work Programme was March 2017 and this was a legacy contract only in 2018-2019. The contract came to a premature end on 28 th February 2019 due to the Prime Contractor (Working Links) going into Administration
	Job Outcomes (sustained in work at 13/26 weeks)	In work 13/26 weeks after securing employment	0	N/A	N/A	N/A	
Working Matters (Glasgow City Region City Deal)	Job Entry (3 year target is 69)	Job entries secured	24	N/A	N/A	N/A	The Working Matters programme was extended to March 2019. Referrals ceased on 31 March 2018 and so the 2018/19 performance was with clients who had been registered before cessation of the new referrals. Routes to Work's delivery of results on this contract was the highest of all City Deal member authorities.
Working Matters Progress (Glasgow City Region City Deal)	Number of starts	Number registered on programme	N/A	48	61	B	Working Matters Progress was a one-year programme utilising the underspend from Working Matters as detailed above. It provided support to people who were engaged with the criminal justice system. There is additional outstanding final performance of qualifications and jobs due to lockdown, which may not be able to be claimed due to the end of the programme.
	Number of Qualifications	Number gaining qualification / certification	N/A	24	17	R	
	Number of job entries	Job entries secured	N/A	8	5	R	

North Lanarkshire's Working Employability Pipeline (European Social Fund)	The number of job entries.	Job entries secured	1,094	957	1,008	B	This is the Council's main EU funded employability programme which from September 2018 became an all age programme. This programme also supports the Education and Families Pathways Programme.
	Sustainment in employment	In work 26 weeks after starting employment	78%	70%	74%	G	
North Lanarkshire Youth Employment Initiative (European Social Fund)	The number of job entries.	Job entries secured	98	N/A	N/A		The Prospects for Youth programme, aimed at 16-29 year olds, ended in September 2018. From October 2018 the provision for this age group was integrated into the Prospects for You Programme (above), which is now an all age programme. All performance measures across YEI were exceeded.
	Sustainment in employment	In work 26 weeks after starting employment	75%	N/A	N/A		
Employability Fund (Skills Development Scotland)	Starts	Engaged on programme	97	97	94	G	The target was increased in 2018/19 as additional volumes were awarded on the contract due to previous good performance results. There were also 2 additional areas added to the contract which were very slow to start. The full rollout of Universal Credit also had an impact on early performance.
	Qualifications	Accredited qualification	60	64	48	R	
	Job Starts	Entered employment – 4 weeks	62	73	69	G	
	Sustainment	Sustained in work at 26 weeks	48	64	45	R	
Work Able Scotland (WAS)	Job Entry	Job entries secured at 6 weeks	7	N/A	N/A		Work Able Scotland was a one year interim programme and stopped receiving referrals onto the programme on 9 th March 2018. The 18/19 operational year was residual, legacy delivery only. .
	Sustainment	In work 26 weeks after starting employment	56%	N/A	N/A		

No one Left Behind (NOLB)	Number of starts	Engaged on the programme	N/A	110	115	G	This is new funding from Scottish Government. Delivery started in July 2019 and the service is for people aged 50+ and young people (Aged 16-24) with a mental health issue. There is additional outstanding job entry performance which, due to lockdown, may not be able to be claimed until later in the programme.
	Number of Job Entries	Job entries secured		40	35	A	
	13 week sustainment	Jobs sustained at 13 weeks		15	21	B	
	26 week sustainment	Jobs sustained at 26 weeks		7	10	G	

Key: -

B - Blue (above threshold) $\geq 5\%$ of target

G - Green (within threshold and on target) = to or + 5% of target

A - Amber (within threshold but below target)

R - Red (below threshold) $\leq 5\%$ of target