

Report

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Report to:	Enterprise Resources Committee
Date of Meeting:	23 November 2011
Report by:	Executive Director (Enterprise Resources)

Subject:	Routes to Work South (RTWS) - Progress Report and Contract Variations
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ provide an update on the progress of services delivered by Routes to Work South (RTWS) on the basis of the “Teckal” exemption
- ◆ seek approval to award additional resources to RTWS to provide additional services to unemployed and disadvantaged client groups in South Lanarkshire
- ◆ seek approval for delegated authority to be given to the Executive Director, (Enterprise Resources) to award further work to RTWS up to a maximum financial value of £200,000 with retrospective notification to Committee

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that Routes to Work South’s contract with the Council in the current year be increased up to £1,229,000 to reflect the availability of additional resources for job subsidy payments and the lease of premises at Righead Gate East Kilbride
- (2) that delegated authority be given to the Executive Director (Enterprise Resources) to award additional work to RTWS up to the maximum value of £200,000 on the basis of the Teckal Exemption.

3. Background

3.1. Since its inception in 1998, Routes to Work South (RTWS) has provided valuable support services to unemployed and disadvantaged client groups in South Lanarkshire. RTWS is a company limited by guarantee registered with the Office of the Scottish Charities Regulator (OSCR) and Companies House. It is primarily governed by the Charities and Trustee Investment (Scotland) Act 2005 and company law.

3.2. At its meeting on 14 September, 2011, the Enterprise Resources Committee agreed to the changes to RTWS’s company structure and subsequent contract award on the basis of the ‘Teckal’ exemption. The Council is now the sole member of the company and the “Teckal” exemption allows it to award work to RTWS without the need for tendering.

4. Current position

- 4.1 The Council entered into a Contract with RTWS to secure the delivery of Job Brokerage and Related Employability Support Services for a period of twelve months from 1 April 2011 to 31 March 2012. The original contract value was based on the total amount available from our matched European programme which is £880,000.
- 4.2 Satisfactory progress is being made in the challenging operating environment. RTWS were contracted to support 2000 workless people and by September 2011 they had achieved 52% of this target. 315 people had been supported into work by then.

5. Proposed variation to original contract

- 5.1 Within the contract there was a requirement for RTWS to manage and administer the wage subsidy payments for other programmes, including Connect2, YouthConnect participants and the Future Jobs Fund. This element of work has now increased due to the availability of additional funds. The approximate value of the additional wage subsidies for the 2011/2012 period is £1,209,000 p.a..
- 5.2 In light of recent and ongoing discussions with Skills Development Scotland (SDS) regarding the possibility of co-location within premises in East Kilbride Town Centre from 1 April, 2012, RTWS were asked to take on the rolling monthly lease for the premises at 6 Righead Gate, East Kilbride, to ensure that employability support services continue to be delivered to East Kilbride residents from a convenient and accessible location. The approximate cost of this is £20,000 per annum.
- 5.3 Taking the above two elements together, it is proposed that the RTWS contract be increased from £880,000 up to £2.109m in the current year depending on the availability of additional resources. It is also proposed that delegated authority be given to the Executive Director (Enterprise Resources) to award further work to RTWS up to a maximum financial value of £200,000. This is to allow the Council to respond quickly and decisively to the availability of any further additional resources.
- 5.4. All such services awarded under the "Teckal" exemption through the use of delegated powers will be notified to the Committee.

6. Employee implications

- 6.1 There are no direct employee implications

7. Financial implications

- 7.1 The revised allocation to RTWS amounting to £1,229,000, as well as the £200,000 of potential resources to be used under delegated authority, can be found from existing resources held within Enterprise Resources budgets and EU grant monies.

8. Other implications

- 8.1 The contracted services specifically support the Council's agreed priority to meet the needs of disadvantaged residents seeking work in the current challenging labour market. Any risk associated with the award of funding will be minimised through close monitoring of the contract. The company, RTWS is wholly owned by the Council.
- 8.2 The revised terms and conditions of the contract will be agreed between the Executive Director, Enterprise Resources, in consultation with the Head of Legal Services and formalised in a new contract document.

9 Equality Impact Assessment and Consultation Arrangements

- 9.1 Legal Services have been fully consulted and the recommendations reflect the legal advice received

Colin McDowall
Executive Director (Enterprise Resources)

3 November 2011

Link(s) to Council Objectives/Improvement Themes/Values

- Support the local economy by providing the right conditions for growth, improving skills and employability
- Tackling disadvantage and deprivation

Previous References

- Routes to Inclusion Reports to Enterprise Committee

List of Background Papers

- None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Simon Carey, Regeneration Services

Ext: 3812 (Tel: 01698 453812)

E-mail: simon.carey@southlanarkshire.gov.uk