

# North Lanarkshire Council Report

## Enterprise and Fair Work Committee

Does this report require to be approved?  Yes  No

Ref (AG/PK) Date 02/05/25

## Routes to Work Ltd – Performance & Finance Report

**From** Alison Gordon, Chief Social Work Officer (Education, Families, Justice & Integration)

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### Executive Summary

Routes to Work Ltd.'s performance was previously considered by the former ALEOs and External Bodies Monitoring Sub Committee. Following changes to North Lanarkshire 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 the Enterprise and Fair Work Committee and a performance report is submitted in line with the Strategic Performance Framework considered by members in November 2019. This report outlines Routes to Work Ltd.'s performance against its charitable objectives and Council priorities for Q2 to Q3 2024/25. 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 Q2 to Q3 2024/25 and overall financial standing is also included within this report.

### Recommendations

It is recommended that Committee:

- (1) Acknowledge Routes to Work operational performance and finance for Q2 to Q3 2024/25, 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
Programme of Work	Brighter Futures

### 1. Background

- 1.1 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.

- 1.2 In 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 Shared Prosperity Fund 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.
- 1.3 Routes to Work's Board of Directors currently consists of up to twelve members – two are Category A members appointed by North Lanarkshire Council (one an elected member, and one a senior Council officer) and up to ten Category B directors, who bring specialist expertise to the company and are selected through a formal nominations' procedure. The Board currently has independent directors with interests and/or experience in local community development and engagement, lifelong learning and skills, business development and support, HR and Law. 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. Council funded activities delivered by Routes to Work are also aligned to The Plan for North Lanarkshire and Council Programme of Work areas.
- 1.4 Routes to Work has been comprehensively reviewed in 2019 and 2024 with the latest review being reported to the Policy and Strategy Committee on 13 March 2025 where it was agreed that no change to the external delivery arrangements are needed and that the organisation's work remains aligned and integrated with that of the Council. However, the review did identify some opportunities and areas for future development and, in response to this, the organisation has been asked to prepare a detailed action plan by 30 June 2025. 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.

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## **2. Report**

### **2.1 Operational Performance Q2 & Q3 2024/25**

The operational performance overview for employability initiatives delivered by Routes to Work in the reporting period are attached at Appendix 1. The following points are service delivery highlights which are not included within the performance measures.

### **2.2 NHS Health Visitor Pilot**

In partnership with NHS Lanarkshire, Routes to Work launched a pilot programme with Health Visitors in the Wishaw Locality during the period with a view to increasing

support to families with young children as part of the Working for Families programme which aims to reduce child poverty through increasing income from employment. This new partnership is providing health visitors with the information and contacts they need to confidently support families with appropriate and timely advice to develop and enhance employment prospects through Routes to Work support. The programme will be evaluated in autumn 2025 and reviewed.

### 2.3 **Working for Families**

There is an existing partnership between the Council's recruitment team and Routes to Work Ltd which has ensured that Council job opportunities are highlighted to their clients. The focus of this work has recently been on supporting parents into opportunities within NLC and the employability team's Working for Families Manager has brokered opportunities with the Facilities Support Services team that has provided seven jobs for parents in the reporting period. Routes to Work provided a package of support for local parents to increase their application and interview skills and delivered role specific qualifications to parents who were successful to aid their transition into their new roles. This positive arrangement has resulted in a pipeline being established for Routes to Work clients and Facilities Support Services recruitment with 58 clients due to be presented for Council employment in the coming months.

### 2.4 **IIP Platinum**

The organisation achieved Investors in People Platinum accreditation In December 2024, a level achieved by only four other Scottish charities. This accreditation places Routes to Work in the top 0.5% globally and marks Routes to Work's ongoing commitment to put its employees at the heart of the organisation and reflects the importance of their staff to delivering the best service possible in our communities.

### 2.5 **ERSA Awards**

Routes to Work were finalists in two categories in the UK-Wide Employer Related Services Association Awards which took place in December 2024 in London. Routes to Work won the 'Driving Compliance, Quality and Performance' Award for their '*Routes to Change*' initiative, which is a tool they developed to ensure clients receive the support they need as quickly as possible to progress towards a job and is resulting in an 18% increase in the likelihood of getting a job and sustaining employment if used. They were also commended, as a finalist, for the partnership of North Lanarkshire Council, NHS Lanarkshire and Routes to Work in delivering the NHS Demonstrator Programme. This pioneering programme was shortlisted in the Partnership and Collaboration category and reflects the work being delivered through North Lanarkshire Council and Routes to Work being recognised for its innovation and impact in a national forum.

### 2.6 **Knowledge Transfer Partnership**

Routes to Work are partners in a Knowledge Transfer Partnership with the University of West of Scotland (UWS) which will result in the production of Full Social Value Evaluation Report on their work within our communities. The report was submitted for assurance in October 2024 to Social Value UK and the outcome is expected soon.

## **Financial Performance Q2 to Q3 2024/25**

### **2.7 Public Accountability Obligations**

To satisfy the Council's duty to ensure the organisation delivering employment and training services on its behalf is financially sound, the Council's Section 95 Officer maintains appropriate and proportionate processes and procedures for scrutinising Routes to Work's financial performance.

2.8 The Council's Legal Agreements with Routes to Work specify the financial information which must be submitted to the Council including an annual business plan, quarterly management accounts, audited financial statements etc. to enable Finance to assess and report any financial risk likely to arise as a result of the Council using Routes to Work to deliver these services.

2.9 The Council expends revenue resources annually with Routes to Work to deliver services which assist the Council in achieving its priority outcomes therefore has a duty to ensure this money is being properly used to deliver both the Council's and Routes to Work objectives.

## **Forecast Financial Performance to 31 March 2025**

2.10 For financial year 2024/25, income approved from the Council is £5.019m which represents 98.16% of the organisations total budgeted income of £5.113m. The balance of budgeted income, totalling £0.094m, is primarily generated from other local authorities, trusts and the management fee from NLC. The approved budget results in an operational surplus of £0.072m.

2.11 The projected outturn to 31 March 2024 is projected to be £4.995m resulting in an operational surplus of £0.092m due to minor adverse movements across all NLC funded programmes offset by receipt of additional income from West Dunbartonshire Council, West Lothian Development and Clack Economic Regeneration Trust. A detailed comparison of projected outturn to the 2024/25 Budget is provided in Appendix 2.

## **Balance Sheet at 31 December 2024**

2.12 Key balances are set out in Appendix 3 to provide members with an update on the overall financial standing of the company, as at 31 December 2024, along with the comparator figures as at 31 March 2024. Council representatives are asked to note:

- The company has net assets of £2.766m which includes pension fund assets. The position, excluding pension fund assets, is £1.013m which is a favourable movement of £0.082m from 31 March 2024. This is predominantly due to timing of receipt of funding and prepayments offset by Trade Debtors. Members can therefore continue to have assurance in the company's resources.

## **Projected Cash flow to March 2025**

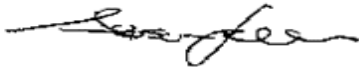
- 2.13 Appendix 4 provides the projected cashflow to 31 March 2025. The cashflow is predominately impacted by the timing of receipt of income and payments in relation to UKSPF funded projects, resulting in a minimum balance of £0.405m in March 2025.
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### **3. Measures of success**

- 3.1 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.
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### **4. Supporting documentation**

- 4.1 Appendix 1 Routes to Work –Q2 & Q3 2024/25 Operational Performance
- 4.2 Appendices 2 - 4 Routes to Work –Q2 & Q3 2024/25 Financial Performance



**Alison Gordon**  
**Chief Social Work Officer (Education, Families, Justice & Integration)**

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**5. Impacts ( <http://connect/report-template-guidance> )**

<b>5.1 Public Sector Equality Duty and Fairer Scotland Duty</b>
Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?  If Yes, has an assessment been carried out and published on the council's website? <a href="https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments">https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments</a> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>5.2 Financial impact</b> Does the report contain any financial impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact? The financial performance of Routes to Work is closely monitored by the council's Section 95 Officer and the financial performance as detailed above, along with other key financial information presented in the report.
<b>5.3 HR policy impact</b> Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?
<b>5.4 Legal impact</b> Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?
<b>5.5 Data protection impact</b> Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to <a href="mailto:dataprotection@northlan.gov.uk">dataprotection@northlan.gov.uk</a> Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>5.6 Technology / Digital impact</b>

Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi?

Yes  No

If Yes, please provide a brief summary of the impact?

Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)?

Yes  No

**5.7 Environmental / Carbon impact**

Does the report / project / practice contain information that has an impact on any environmental or carbon matters?

Yes  No

If Yes, please provide a brief summary of the impact?

**5.8 Communications impact**

Does the report contain any information that has an impact on the council's communications activities?

Yes  No

If Yes, please provide a brief summary of the impact?

**5.9 Risk impact**

Is there a risk impact?

Yes  No

If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?

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.

**5.10 Armed Forces Covenant Duty**

Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?

Yes  No

If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.

Within all Council employability programmes veterans are immediately eligible for support alongside other priority groups.

**5.11 Children's rights and wellbeing impact**

Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?

Yes  No

If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).

If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?

Yes

No



## Routes to Work – Q2 &amp; Q3 2024/25 Operational Performance

Employability Programme	Indicator	Target Outcome/Purpose	2024/25 Q2 & Q3 Target	2024/25 Q2 & Q3 Actual	Blue Red Amber Green	Comments
No one Left Behind (NOLB)	Number of starts	Engaged on programme	129	198	B	Funding from the Scottish Government to protect young people aged 16 -19 years from the economic impact of COVID -19 by offering them the opportunity of a job, apprenticeship, further or higher education, training programme or volunteering. Targeting particularly excluded groups of 16-19 yr olds. This programme also supports the Education and Families Pathways Programme from October 2022.
	Entered FE/HE/Training	Moved into full time education or training programme	11	28	B	
	Number of qualifications	Accredited Qualifications	62	93	B	
	Number of Job Entries	Job Entries secured	85	86	G	
	26-week sustainment	Jobs sustained at 26 weeks	70%	77%	B	
Parental Employment Support Fund	Number of starts	Engaged on programme	68	234	B	Funding from the Scottish Government to support employed and underemployed parents who may be at risk of poverty.
	Number of qualifications	Accredited Qualifications	102	59	R	
	Number of Job Entries	Job Entries secured	99	109	B	
	26-week sustainment	Jobs sustained at 26 weeks	70%	77%	B	
UK Shared Prosperity Fund 31	Registration	Engaged on programme	87	62	R	Funding from the UK Government to deliver a place-based intervention engaging with economically inactive residents and economically inactive parents from agreed geographically areas to improve their life chances and increase their pre-employability
	Increased Employability	Increased employability through development of interpersonal skills	67	19	R	

	Basic Skills	Improved basic skills	55	12	R	skills. The aim is to support project proposals that align with long-term strategic plans for local growth, target people most in need and support community renewal.
	Supported Employment	Receiving transitional support to sustain in employment	28	24	R	
	Sustained Engagement	Engaging with Case Worker for 6 months	28	34	B	
	Job Searching	Engaged in job searching activities	42	33	R	
	Job Entries	Job entries secured	28	21	R	
	26-week sustainment	Jobs sustained at 26 weeks	70%	78%	B	
UK Shared Prosperity Fund 35	Number of starts	Registrations	819	650	R	Funding from the UK Government to deliver an all-age employability programme supporting economically inactive and unemployed North Lanarkshire residents to progress closer to and into sustainable employment, as well providing the opportunity for low-income in-work residents to upskill through training.
	Entered FE/HE/Training	Moved into full time education or training programme	71	160	B	
	Number of qualifications	Accredited Qualifications	199	204	G	
	Number of Job Entries	Jobs	460	413	R	
	26-week sustainment	Jobs sustained at 26 weeks	70%	75%	B	

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

## Routes to Work Limited

Projected Outturn to 31 December 2024

Income & expenditure	2024/25	2024/25 Year to date			2024/25	2024/25	Commentary Variance Budget vrs Projected Outturn
	Budget	Budget	Actual	Variance	Projected Outturn to 31 March 2025	Variance Budget vrs Projected Outturn	
	£'000	£'000	£'000	£'000	£'000	£'000	
Income from NLC							
No one left behind	627	470	422	(48)	588	(39)	
Prospects for Parents	725	522	453	(69)	669	(56)	
S31 - UKSPF Employment Support	572	433	340	(93)	535	(37)	
S35 - UKSPF Employability & Skills Support	2,688	2,026	1,865	(161)	2,630	(58)	
Programme information Reporting	44	33	32	(1)	43	(1)	
Allocations - move to NLC	364	271	254	(17)	358	(6)	
<b>Total Income from NLC</b>	<b>5,019</b>	<b>3,756</b>	<b>3,366</b>	<b>(390)</b>	<b>4,822</b>	<b>(197)</b>	
Development Income	32	17	17	0	32	0	
Other Income	62	47	50	4	233	171	
<b>Total Incoming Resources</b>	<b>5,113</b>	<b>3,819</b>	<b>3,433</b>	<b>(386)</b>	<b>5,088</b>	<b>(26)</b>	Minor adverse movement in income across all NLC programmes offset by receipt of additional income from West Lothian Development, Clack Economic Regeneration Trust and WestDunbarton Council.
<b>Expenditure:</b>							
Charitable Activities	(5,042)	(3,777)	(3,458)	319	(4,995)	46	
<b>Total Resources Expended</b>	<b>(5,042)</b>	<b>(3,777)</b>	<b>(3,458)</b>	<b>319</b>	<b>(4,995)</b>	<b>46</b>	Increased expenditure in relation to resource costs and timing of payments.
<b>Operational surplus / (deficit)</b>	<b>72</b>	<b>43</b>	<b>(24)</b>	<b>(67)</b>	<b>92</b>	<b>21</b>	

## Routes to Work Limited

## Overall Financial Standing - Balance Sheet as at 31 December 2024

Balances/ Indicator	31-Mar-24 £'000	31-Dec-24 £'000	Variance £'000	Commentary
<b>Fixed Assets</b>	1	(0)	1	
<b>Current Assets:</b>				
Trade Debtors	764	23	741	Timing of claims and invoicing.
Prepayments	577	619	(42)	Accrued income for claims not yet invoiced.
Bank / Cash	596	1,367	(771)	Timing of funding.
	<b>1,938</b>	<b>2,009</b>	<b>(71)</b>	
<b>Current Liabilities:</b>				
Creditors inc. Advanced payments, VAT & other taxes	(1,007)	(997)	(11)	Minor.
	<b>(1,007)</b>	<b>(997)</b>	<b>(11)</b>	
<b>Defined scheme pensions liabilities</b>	<b>1,753</b>	<b>1,753</b>	<b>0</b>	FRS102 actuarial valuation
<b>Net Asset / (Liabilities)</b>	<b>2,684</b>	<b>2,765</b>	<b>(81)</b>	
<b>Financed by Reserves:-</b>				
Designated Reserves	284	239	45	Minor.
Unrestricted funds	721	851	(130)	Management action to increase balance to ensure sufficient funding available to meet contingent liability costs for the company.
Unrestricted Pension Fund	1,753	1,753	0	
Restricted Funds	(74)	(77)	2	Minor.
<b>Total Reserves</b>	<b>2,683</b>	<b>2,766</b>	<b>(82)</b>	

