
Report To: Environment & Regeneration Committee **Date:** 5 September 2013

Report By: Corporate Director – Environment, Regeneration & Resources **Report No:** E+R/13/09/05/sj/eb

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Subject: Monitoring of Employability Services – External Contracts

1.0 PURPOSE

- 1.1 To submit to the Committee for information the progress regarding monitoring of external contracts delivering Employability services, and to provide contract performance information for the period April – June 2013.

2.0 SUMMARY

- 2.1 On 7th March 2013, Committee gave delegated authority to Corporate Director, Environment, Regeneration & Resources to award contracts for the delivery of employability services from April 2013. One-year contracts were awarded to ICDT Ltd and Stepwell Consultancy Ltd with activity commencing on 1st April 2013. ICDT Ltd deliver an end-to-end employability service providing a wide range of pre-vocational and vocational training and support, with Stepwell delivering a specialist supported employment service incorporating activities to help clients manage a range of health barriers.
- 2.2 The focus of the monitoring arrangements has been to ensure that contracted employability services provide an effective quality service to local residents that are responsive to client and employer needs, which are additional to national work/training programmes, and provide effective and efficient use of Council and European monies.
- 2.3 The end-to-end service incorporates European funding via ESF and ERDF therefore monitoring arrangements ensure compliance with European funding regulations.
- 2.4 A range of processes are used to provide quantitative, qualitative and financial monitoring information is available to the Workforce Development Team within Economic Development, for review against contract specification.
- 2.5 A Monthly Monitoring Return is submitted by both contractors giving the financial spend against several budget headings. The MMR also contains quantitative information on the outcomes of the contract in the given month, and narrative provides information on the qualitative aspects of the activity. Once the MMR is reviewed and approved, the monthly payment is made to the contractor, which assists with cashflow for these grassroots, charitable companies.
- 2.6 An annual monitoring visit is undertaken where the contractor provides a sample of financial records that are traced from source documentation through to bank statements, to verify expenditure was incurred and defrayed within the timescales claimed, and to establish that the expenditure was for the purposes of fulfilling contract activity.

- 2.7 In addition to the above, due to the scale and value of ICDT's contract, quarterly visits are undertaken with key staff to review contract activity, with the main focus being on ensuring the activities provided by the service remain relevant to local needs. Outwith these quarterly meetings, weekly contact takes place with delivery staff regarding operational aspects of the contract.
- 2.8 ICDT Board Meetings are attended by the Head of Service, Regeneration & Planning, which provides an opportunity for information to be given around the broader aspects of employment and training provision outwith that contracted by the Council.

3.0 RECOMMENDATIONS

- 3.1 That Committee note the monitoring arrangements in place for external contracts delivering Employability services.
- 3.2 That Committee note the performance of contracts for the period April – June 2013 as per Annex 1.

Aubrey Fawcett
Corporate Director – Environment, Regeneration & Resources

4.0 BACKGROUND

- 4.1 When the Fairer Scotland Fund monies terminated in March 2011, Inverclyde Council made budget provision to provide local employability services that are additional to the national training/employment programmes available. These services have been part of a number of open tender exercises, therefore ensuring best value is secured and that quality services are available to local residents, which are responsive to their needs, and meets local demands.
- 4.2 Procurement of employability services took place to cover the period 2011-2013, with contracts ending on 31st March 2013.
- 4.3 On 7th March 2013, Committee gave delegated authority to Corporate Director, Environment, Regeneration & Resources to award contracts for the delivery of employability services from April 2013.
- 4.4 One year contracts were awarded to ICDT Ltd and Stepwell Ltd with activity commencing on 1st April, ensuring a smooth transition for beneficiaries of services which had been operating in the previous year. A 6 month extension of contracts is available dependent on satisfactory contract performance.
- 4.5 ICDT Ltd deliver an end-to-end employability service, and Stepwell deliver a specialist supported employment service incorporating activities to help clients manage a wide range of health barriers.
- 4.6 In previous years the monitoring arrangements were for Quarterly Monitoring Returns, and with 2 Monitoring visits per year. However, as both ICDT and Stepwell have been contracting since 2008 and have undergone a number of monitoring visits during this period with no systemic errors being reported, it has been appropriate to move to Monthly Monitoring Returns and a minimum of two monitoring visits per year.
- 4.7 As part of the tender appraisal a financial assessment was undertaken on both companies, with both passing the minimum requirements.

Both companies provided annual accounts to 31 March 2012 during the recent tendering exercise, and Accounts to March 2013 will be provided when available.

5.0 FINANCE

5.1 Financial Implications – One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
N/A	N/A	N/A	N/A	N/A	N/A

Financial Implications – Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A	N/A	N/A	N/A	N/A	N/A

6.0 CONSULTATIONS

- 6.1 Procurement has been consulted on the tendering arrangements for Employability services activity.
- 6.1 Legal Services have been consulted on the contractual arrangements with the external organisations.
- 6.2 Partners on the Strategic Employability Group are provided with contract information.

EMPLOYABILITY SERVICES CONTRACTOR PERFORMANCE APRIL 2013 - JUNE 2013

Target Performance for Stage of Delivery 25%

EMPLOYABILITY SERVICES							
Contract Title	Contractor	Summary of Activity	Contract Information	2013/14 Contract Value/Target	Actual	% on target	COMMENTS
PROGRESS	STEPWELL CONSULTANCY LTD	Supporting unemployed/inactive residents with a physical, mental, sensory or learning disability into sustainable employment by providing specialist health advice and supported employment and job placement opportunities.	Financial	£ 97,500	£ 25,776	26.44%	
			Number of Clients Supported	30	19	63.33%	
			Number of clients referred from the end-to-end employability service	20	5	25.00%	
			Number of supported employment placements/job placements directly provided	10	5	50.00%	
			Number of clients with greater confidence to progress into work	30	19	63.33%	
INVERCLYDE WORKS	INVERCLYDE COMMUNITY DEVELOPMENT TRUST LTD (ICDT)	Provides a range of activity for those wanting to improve confidence, motivation and skills to enable progression to employment. Pre-vocational and vocational training in a range of sectors provided. Future Jobs, Graduate programme and Employer Engagement/Job Brokerage and in-work support are also provided. Financial Fitness and Community Learning & Development deliver specialist support to clients.	Financial	£ 2,218,478	£ 554,619	25.00%	Includes ESF & ERDF monies
			Total number of unemployed/unwaged clients	1,000	263	26.30%	
			Number gaining a partial/full qualification	405	95	23.46%	
			Number progressing to employment	432	65	15.05%	will be on target by 2nd quarter
			Number gaininig employment via Job Brokerage	170	37	21.76%	
			Number of Future Jobs	130	37	28.46%	
			Number gaining Financial Fitness support	600	166	27.67%	
			Number gaining CLD support	150	33	22.00%	