



merlin

promoting supply chain excellence

Assessment Report
For

SKILLS TRAINING UK

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On behalf of emqc Ltd

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About the Organisation

Skills Training UK (STUK) is a Private company, which was established in 1992 to provide a range of training and employability solutions across the UK. A Prime Contractor for a number of commissioners / procurers over the years including, the Education Funding Agency (EFA), Skills Funding Agency (SFA), and Department for Work and Pensions (DWP). The current programmes include:

Progress! - DWP - ESF programme, 'Support for Troubled Families' with multiple problems back into work across the South East of England (CPA8),

Youth Contract - Funded by the EFA supporting 16-17 year old Participants who are not in education, employment or training (NEET) into training and employment opportunities, again across the South East of England (CPA8), which is part of their Positive Directions programme.

Assessment Methodology

It was a requirement by DWP and other commissioners, that all Prime providers of the ESF 2011-13 Support for Troubled Families and EFA Youth Contract undertook an assessment against the Merlin Standard before 31st December 2012. Subsequently, Primes are required to be reaccredited against the Merlin Standard every two-years and consequently STUK opted to undertake the assessment in November 2014 with the aim of retaining the accreditation.

The assessment team comprised of Lorna Bainbridge (Lead Assessor) and two Assessors: Neil Potentier and Christine James, supported by a co-ordinator within STUK. The Lead Assessor and coordinator started planning the assessment in July 2014 where-by the scope and logistics of the assessment were identified and the on-site dates agreed. Subsequent telephone calls provided the opportunity to review the plans and logistics of the on-site activity, and provided sufficient time to share the Self Assessment Questionnaire (SAQ) and Pre-Assessment Notes (PAN).

Interviewees were selected from a list of partners working with STUK, which represented the public, private and third sectors, and included those that had been in partnership with the organisation throughout the life of the contract/s and those that had recently joined the supply chains.

The assessment team spent a total of 12 days on-site reviewing documentary evidence, IT systems and undertaking interviews with STUK personnel involved in the strategic and day-to-day management of the supply chains, with the aim of gaining a full understanding of the delivery models, including the systems and processes. 60% of the partners were interviewed, some delivering both; Progress! and Youth Contract, whilst others deliver either Progress! or Youth Contract.

Assessment Outcome

Overall %	92%
Overall Outcome	Excellent
Supply Chain Design	Excellent
Commitment	Excellent
Conduct	Excellent
Review	Good

Strengths

The following provides an indication of areas of particular strength, which appeared to be working well and viewed positively by STUK's staff and a high proportion of partners interviewed and / or supported by observed and / or documentary evidence. The number in brackets cross-references the findings to the element and criteria of the Merlin Standard.

- ▲ Over the past two-years STUK and the partners have actively reviewed the customer groups and needs, and consequently the supply chains have continued to evolve and increased by 17 partners from the public, private and third sectors, which has addressed the needs of the customer and supported the achievement of the commissioner's objectives. (1a.1, 1a.2, 4a.5)
- ▲ Expression of Interest (EOI) and due diligence has continued to be the driver for identifying suitable partners, and new partners confirmed that the process was robust and highly effective. New partners confirmed that STUK demonstrated a commitment to working in partnership at the start of their relationship with the organisation, due to the involvement of the senior leaders at an early stage. (2a.1, 2c.1)
- ▲ Partners are actively involved in the design of systems and processes throughout the life of the contracts to ensure efficiency and appropriateness, specifically for the customer. In addition, they are actively encouraged to work collaboratively across the supply chain and share excellent / good practice through the development of case studies, participation in partner days and informal relationships. (2a.2, 2a.3, 3b.8, 3d.1)
- ▲ A key strength of the organisation is operating in line with its core principles and ensuring a clear understanding of roles, responsibilities and expectations of all stakeholders. In addition, they have adopted a positive and supportive approach to undertaking business with open, honest and transparent communications throughout the life of the contracts. (2a.4, 2a.5, 3a.1)

Strengths Cont./

- ▲ A responsive approach has been taken to developing partners and their delivery staff; working in partnership and being able to discuss issues and challenges enables them to express their shortfalls and identify learning and development needs. STUK have embraced different approaches to learning and development, which has been welcomed by partners, for example, interactive webinars. (2a.1, 2a.3)
- ▲ Partners have the trust and confidence in the senior leadership team (STUK) and believe that they have their interest at the heart of the relationship, and consequently feel well supported in all aspects of contracting. (2c.2, 2c.3, 2c.4, 2c.5, 2c.6, 2c.7)
- ▲ Over the past two-years the processes, policies and activities to assure compliance across the contracts and within supply chains have become fully embedded, and valued by partners. (3b.1, 3b.2)
- ▲ STUK have honoured their commitment throughout the life of the contracts, kept partners fully informed and ensured any changes to agreements are clearly communicated and agreed, resulting in a clear understanding of expectations at every stage. (3c.1, 3c.4, 3d.3)
- ▲ The on-going investment in Solution 9, the Management Information (MI) platform has contributed positively to the development and provision of consistent, accurate and appropriate reporting, which has been used to drive performance of the services. The reporting mechanisms provide clear data relating to diversity and equality, which has influenced the delivery of the contracts in specific areas. (3d.4, 3d.6, 3e.2, 3e.3)

Areas for Improvement

Whilst STUK demonstrated that it met the Merlin Standard the following areas could be considered for review and improvement based on feedback from STUK's staff and / or partner's, observations and / or documentary evidence. The number in brackets cross-references the findings to the element and criteria of the Merlin Standard.

- ▲ The development of staff within the supply chain is actively promoted throughout performance reviews and informal discussions, and STUK have been very responsive to the needs identified. However, consideration could be made to a adopting a far more proactive approach, for example, completion of training needs analysis resulting in a learning and development schedule for a six-month period. In addition, consideration could be made to identifying Champions across the supply chain to drive specific themes, for example, diversity and equality, environmental sustainability, customer engagement, etc. which could contribute to sharing best practice and improving performance of the supply chain. (2b.1, 2b.3, 3b.1, 3b.7, 3b.8, 3e.3)

Areas for Improvement Cont./

- ▲ The core principles are fully embedded in the organisational practices, and partners believe they are upheld when working with STUK. In the future, consideration could be made to incorporating value for money within the principles, providing partners with a clear definition of the term, and enabling STUK to measure them against the requirement throughout due diligence and the life of the contract. (3a.1, 3d.5)
- ▲ STUK have adopted clear communication strategies to ensure partners are kept informed of changes in legislation and contractual / statutory requirements in a timely manner. Whilst there was some evidence of STUK ensuring understanding and implementation of the requirements, this was inconsistent. Consequently, in the future consideration could be made to adopting a far more robust approach to checking interpretation / understanding and implementation of the changes. (3a.4)
- ▲ As previously stated, the processes and activities to assure compliance across the contracts and within partner organisations have become fully embedded and a key strength of STUK. Whilst there are processes, policies and activities to assure the quality of service delivery and experience of the customer these tend to be reliant upon the partner. In the future, consideration could be made to a far more robust approach to assuring the experience of customers within the supply chain, including those organisation used by partners to deliver the ad-hoc services. (3b.1, 3b.2, 4a.1)
- ▲ There is a greater awareness of environmental sustainability across the supply chain, which is supported by initiatives to reduce travel, cost and the impact on the environment. In the future, consideration could be made to how this will become fully embedded as a result of using appropriate, consistent measures across the supply chains. (3b.7, 4a.6)
- ▲ Historically, partners have been actively engaged in the development of the Self-Assessment Report (SAR), however, throughout 2013/14 the approach was far less intrusive and the findings were shared through a workshop. Consequently, partners failed to understand how they had contributed to the SAR and the planned improvements. In the future, consideration could be made to formally engaging all partners in the development of the SAR, and whilst a workshop provides a means of communication, also provide a copy of the action plan to aid understanding and implementation of the areas for improvement. (4a.2)

Areas Requiring Further Development

STUK have successfully met all the requirements of the Merlin Standard, as described in the assessment outcome. As a result, there are no areas requiring further development identified throughout the assessment.

Assessment Findings

1 Supply Chain Design

1a) Supply chain design

Over the past two-years STUK with the involvement of partners have continued to research and analyse the data and outcomes relating to Progress! and Youth Contract. As a result, the scope and variety within the supply chains has evolved with the key aim of addressing the needs of the different customers, as well as supporting the commissioner's objectives and meeting contractual requirements.

Senior leaders continue to be represented nationally at DWP, ESF, EFA and SFA meetings to ensure any changes in commissioner objectives and contractual requirements are addressed promptly. In addition, they actively engage with other bodies with the aim of contributing to the future of the services, for example, Department for Business Innovation and Skills, Further Education Skills Advisory Group, National Institute of Adult Continuing Education (NIACE), The Association of Employment and Learning Providers (AELP), etc.

At the start of the contracts, key stakeholders were identified in order to identify and address the needs of customers and contribute to the commissioner's objectives, for example Local Authorities (LAs) for Progress! and JobCentre Plus for the Youth Contract. Subsequently, STUK and partners have actively engaged with them on a monthly basis to identify gaps in provision and ensure referrals. This approach has resulted in potential partners being recommended to address gaps, for example, a charity to promote social inclusion and a community organisation to focus on deprived areas.

As previously stated, STUK continue to analyse data and statistics relating to national, regional and local demographics in rural and urban areas, identify local challenges, the different customer groups and trends, etc. For example, it was identified that a high percentage of customers on Progress! experienced health related issues, and consequently partners have been brought into the supply chain to address specific needs.

A monthly performance review with partners provides an opportunity to analyse their contribution and ability to deliver against profile, volume and performance expectations, which has resulted in additional partners entering the supply chain with the aim of achieving the planned targets for the contract/s, for example, further education colleges.

When developing a supply chain STUK actively seek to select two or more partners in an area with the aim of encouraging collaborative working, ensuring a range of resources available and provision of 'back-fill' in the event of a partner leaving the supply chain, which has proven to be an effective strategy over the past year.

STUK continue to deliver a small percentage of the contracts; 0.7% Youth Contract and 5.3% Progress! to ensure a full understanding of the contracts, customer groups and the challenges partners encounter. However, the commitment to working with a range of partners from the public, private and third sector continues to be evident with the aim of providing a holistic service to meet the needs of customers, local demographics, etc. STUK recognise the need to have local knowledge and a breadth of expertise to contribute to the success of the contract/s, and is demonstrated below:

Progress! - 20% public, 45% private and 35% third sector,

Youth Contract - 30% public, 22% private, 30% third sector and 18% further education colleges, in comparison to 25% public, 21% private, 39% third sector and 14% further education colleges in 2012.

Whilst the contracts are drawing to a close STUK have continued to review the objectives of the commissioning bodies and the needs of the customer groups, which has resulted in recent additions to the supply chains (May 2014). Consequently, it is evident that STUK are forward thinking and have clear strategies to ensure flexible and robust supply chains throughout the life of contracts.

Partners are actively encouraged to utilise wider networks to support the delivery of the services, for example, Rural England to increase their understanding of issues relating to rural colleges and their customers, and consequently these partners have developed relationships with other organisations who have rural centres / hubs. In addition, probation service, Connexions and careers guidance services, and many others have been used for Progress! and such organisations as debt advice, alcohol and drug services, training providers and colleges (GFE South) for the Youth Contract. Some partner comments included:

"We were told in the early days that we could link up with providers to deliver the services to our clients."

"We have about 20 - drugs & alcohol support - specific IT support for single parents – IAPT support."

"We use our own network for specific support such as Ride High (riding charity) and InTraining are also used for learners who would feel intimidated by a college environment."

STUK have continued to bid for contracts, as a Prime and to work in partnership with other Prime organisations, which contribute to its overarching strategy. Consequently, some contracting opportunities, whilst initially investigated failed to be appropriate, for example, Community Works Programme (CWP), New Enterprise Allowance (NEA), etc. whilst others, for example, Supervised Job Search, Skills Support for the Unemployed / Redundancy, etc. complemented current provisions.

2 Commitment

2a) Collaboration, cooperation and communication

The opportunity to partner with STUK continues to be promoted through a range of activities including STUK website, Carley Consult and Indus Delta, and if appropriate other associated websites for example, Department for Education. Reference was also made to the use of the Merlin EOI process to enable partners to demonstrate their initial interest.

New partners to the supply chain confirmed that communication throughout the procurement stages was proactive and effective. The initial communication and information regarding the opportunity to partner was clear and supported their decision-making to submit an EOI. Partners confirmed that the EOI was appropriate and fit for purpose. Similarly, whilst due diligence was extensive there was a good understanding of the rationale, which was endorsed by the senior leaders throughout a meeting prior to contract award.

Partners made reference to the accessibility and responsiveness of STUK personnel, including senior leaders and operational staff to emails, telephone calls and following meetings. One partner made the following comment:

"He didn't know the answer to my question, but he got back to me in no time."

Similarly unsuccessful partners confirmed that communication from STUK was effective at every stage of the procurement process, and feedback was readily available, if requested, which provided the rationale for the decision.

Consultation with the supply chain has improved over the past two-years, and partners confirmed that they are actively involved in designing systems and processes to ensure an effective service delivery and a positive customer experience. In addition, partners made reference to being invited to share their ideas regarding the on-going development of Solution 9 MI facility. Some partner comments included:

"We had discussions around options for progress measures - they've allowed us to deliver them as long as we can evidence them."

"A wish-list was put to the developers (Solution 9) who then made the necessary amendments."

"We identified a change of use for claims tab to be used by mentors and not just managers."

"We asked STUK to lobby EFA on jobs and as a result this became accepted as a re-engagement outcome."

Initially STUK actively sought to work with partners who recognised the importance of collaborative working, subsequently, over the past two-years partners have come to realise the true benefits of working together. Evidence throughout the assessment indicated that partners were aware of others within the supply chain, and all partners were working with at least one other, or at the very least been in touch with another with the aim of improving performance across the contract/s.

STUK empower partners to work together for the benefit of customers and the contract/s, and consequently, they are confident to refer to others and share resources, having established the ground rules to minimise the confusion to customers. Partners made reference to the partner days, which provided networking opportunities where-by they gained an understanding of the services available across the supply chain.

Clear communication channels are established at the on-set of a contract, and consequently, partners gain a sense of security and confidence, recognise the openness and honesty from the senior leaders, which has resulted in no ambiguity regarding the business relationships. Some partner comments included:

"They're very responsive, any queries I've ever had have been dealt with, within the day."

"They were hard on us at the on-set and painted a difficult picture - we respected this."

"They really make us feel as though they're talking to us personally not just one of ten thousand in a queue - we've made all sorts of mistakes for instance locking ourselves out of Solution 9 and its never been an issue with them"

2b) Developing supply chain partners

Partners demonstrate their sustainability, capability and capacity to deliver the service through due diligence, which is fully tested by STUK. However, STUK make every effort to provide additional support in terms of ensuring appropriateness of policies, building capability and capacity, providing resources, etc. which are identified and addressed prior to and throughout the life of the contract/s.

Partners made reference to receiving support regarding the implementation of the systems and processes, paperwork requirements and functionality of Solution 9. In addition, training and development to address health and safety, safeguarding and diversity and equality, etc. is identified and implemented for delivery staff to contribute to the delivery of the service. Some partner comments included:

"X and X have both spent a lot of time with us helping us to get up to speed on the software and their own ways of working."

"We've developed a mentoring strategy for our learners as a result of the intervention / suggestions from STUK, which is also helping the learners with sustainability."

"They're good at developing and enabling us rather than telling us."

STUK assist partners to access additional funding streams, for example, some partners with the capability and capacity successfully gained an additional contract Youth Contract / Progress! and / or over the life of the contract/s due to their success rates have increased volumes. There was evidence of STUK developing a strategic alliance with partner organisations to support the growth of both businesses outside of the contract. In addition, reference was made to partners having access to apprenticeships, traineeships, study programme, etc. to develop capacity and capability.

Throughout the life of the contract learning and development needs of delivery staff continue to be identified to ensure the quality of service delivery and achievement of performance expectations. Partners made reference to the monthly performance review where-by their challenges and issues relating to the contract/s are discussed and addressed through the provision of additional training and development, if appropriate. Some topics that have been addressed through one-to-one coaching have included Solution 9, engagement of customers, payment by results, action-planning, induction of new staff, etc. In addition, partners spoke of the provision of webinars, once again to address Solution 9 and key topics.

Partners confirmed that the performance manager is very responsive to their needs, and quickly facilitates the additional support identified. Some partner comments included:

"We got additional coaching on spread sheets from Solutions9."

"Webinars for Solution 9 and helping with evidence performance measures."

'They are very good at finding training & development solutions to address issues and concerns.'

"Partner days are a good source of development."

In summary, STUK are very responsive to the learning and development needs of partner's delivery staff. However, in the future, consideration could be made to being far more proactive, for example, training needs analysis resulting in a schedule of activities and / or appointment of Champions within the supply chain to drive specific themes, for example, diversity and equality, environmental sustainability, customer engagement, etc. which could contribute to sharing best practice and improving performance of the supply chain.

2c) Contracting and funding

Interviews with partners that had joined the supply chain over the past two-years confirmed that the procurement process was fair and transparent, irrespective of the starting point all partners had to complete an EOI, which was scored and subsequently supported by due diligence. Partners made reference to a detailed due diligence process, however, confirmed that it was fit for purpose and clearly understood the expectations of being a partner.

Partners felt that the visits undertaken by senior leaders prior to gaining a contract demonstrated their commitment to developing open, honest and supportive partnerships, and ensured effective contracting and funding arrangements.

STUK have adopted a clear commissioning strategy, which protects the potential partner; partners will have other income streams and not be reliant upon the contract awarded. Consequently, this minimises the financial risk to a partner and the implications to STUK. Partners described the discussions regarding the funding arrangements and clearly understood the different stages of payment. One partner made the following comment:

"We had a couple of options regarding payment, either whole or by performance measure, we chose whole."

Prior to contracting all partners confirmed that they were in receipt of a formal contract, which clearly indicated the expectations and obligations, roles and responsibilities of all stakeholders, as well as reference to health and safety, safeguarding, data security, environmental sustainability, fees and payments, etc. Partners confirmed that the documentation was prepared promptly in order to start delivery within the agreed timescale.

Partners confirmed that there was a clear rationale for a viable and transparent allocation of market share, and in the event of other partners in the same area there was a level of clarity, and provided the opportunity for collaborative working. One partner made the following comment:

"We really needed them to understand our unique position geographically, and they did."

Volumes were negotiated pre contract, and continue to be open for discussion throughout the life of the contracts, which partners value. As volumes were low at the start of the Youth Contract STUK proactively managed partner's expectations and provided extensive support to retain them within the supply chain, and subsequently as volumes have increased have renegotiated. One partner made the following comment:

"We looked at the possible number of participants and the areas we would cover, as well as resources, we discussed with STUK and agreed a number together."

Similarly, funding / finance and performance expectations were discussed and agreed, and consequently partners clearly understood how they contributed to the success of the contract/s and the different payments for the respective contract.

Partners confirmed that STUK took into consideration their requirements pre and post contract award, which resulted in an initial payment being made for Youth Contract earlier than originally agreed and additional progress measures introduced throughout the life of the contract

Solution 9 provides a streamlined system for self-billing, and consequently, payments have consistently been made in line with the agreed terms and conditions. Some partner comments included:

"One of their strengths is the consistency in which they handle the claims."

"With Youth Contract it's really straightforward and we've never had any issues."

"They've made it easy and straight-forward."

Partners are aware of the management fee, and believe that it is fair, and provides value for money due to the extensive support gained from STUK, including access to Solution 9, regular meetings and communications with the performance manager, opportunities for learning and development, access to partner meetings and best practice ideas, etc. Some partner comments included:

"Fair play to them for doing it at such a low profit margin."

"Happy with the split, we know the principles, they give value for money."

"STUK earn their money – they have those conversations with DWP/SFA, etc. that we don't want to do and we also have the MI system, performance management. This is how business works - it's also paying for the bids and tenders they don't win so we know that they need to cover those costs I'm happy with what they get."

3 Conduct

3a) Demonstrating commercial and business integrity

The core values are based round respect and performance, driven by the desire to treat people equally irrespective of their background. They wish to treat others, including partners how they wish to be treated and performance is critical to improve the quality of individual's lives in their local community. A majority of partners interviewed had opted to work with STUK based on their values, which they believe continue to be a key strength of the organisation. Some partner comments included:

"They say things and do it."

"They treat us like an equal, it's a true partnership."

"It's a great relationship."

"They have to manage performance, but they have a way of doing it."

Whilst there is a clear strategy to manage the TUPE process, which was reviewed in 2012, there has been no requirement for the strategy to be used over the past two-years and as a result, this was not assessed throughout the assessment. Confirmation was gained that, if appropriate, the TUPE strategy would be implemented in the future.

Partners confirmed that the relationship with STUK is excellent and all interactions are positive and supportive, irrespective of the individual they are dealing with, senior leaders, performance manager, continuous improvement officer, claims, etc. Some partner comments included:

"It's a really practical relationship – if we ever make a mistake they're not all over you they come up with solutions, really matter of fact about it."

"X says I'm here to help you be successful."

"From the first time I met X, he made it clear we're all in it together, our success is based on your success, it's a partnership, and he's stuck to that."

"If it wasn't for the trust we have in them we'd walked away from the contract in the early stages."

"Claims are so helpful and will spend the time explaining, over and over if needed."

Partners continue to be updated with legislative and regulatory requirements, and contractual changes, through emails, telephone, briefings and visits from STUK staff. Whilst there have been minimal changes in the past two-years partners confirmed that communications of updates is effective, and in some cases the understanding and implementation was reviewed, however, this was not consistent practice. Consequently, in the future, consideration could be made to adopting a far more robust approach to checking interpretation, understanding and implementation of the changes communicated. One partner made the following comment:

"STUK send us any updated information as and when but they also trust us to keep ourselves up to date. We get emails and the partner days that are used for that too."

3b) Quality Assurance and Compliance

A key strength of STUK is the processes, policies and activities to assure compliance across the contracts and within partner organisations, which has become totally embedded and genuinely valued by partners. Partners confirmed that they gain instant feedback through Solution 9 regarding claims submitted, which advises them of any areas of non-compliance, and corrective action, for example, missing information, quality of evidence, etc.

Processes, policies and activities are in place to assure the quality of service delivery, including the customer experience, however, partners believe that this tends to be reliant on their approach to managing the delivery of the service and gaining feedback from customers. Consequently, in the future consideration could be made to a far more robust and overt approach being undertaken by the performance managers and continuous improvement officers, which partners can link to assuring the quality of the service and customer experience. In addition, whilst STUK complete initial checks on those organisations providing a spot-purchase, consideration could be made to formalising an approach to ensure the quality of service delivery and customer experience.

As part of quality assurance a performance manager and continuous improvement officer visit partner premises, and as a result, list areas identified for improvement and the target completion date. Partners confirmed that the findings were appropriate and provided actions, which contributed to improving the service delivery, and were subsequently followed up within the agreed timescale to ensure action taken.

STUK were successfully accredited with the **matrix** Standard in 2012, and due for reaccreditation in 2015, which provides a level of quality assurance for the information, advice and guidance (IAG) being provided to partners and customers. Partners are expected to hold, or be working towards the **matrix** Standard to provide a level of quality assurance for the IAG being provided to customers. Partners are expected to source specialist support and provision from STUK in areas they fail to have the expertise, once again to assure the IAG being provided to the customer. One partner comment included:

*"We've got **matrix** but STUK still check files and review the documentation. It's good that they look."*

STUK continues to conform to ISO27001:2005 and assures it's partners conform to the Standard and / or have a robust data security plan throughout the due diligence activities, including observation throughout a site visit to ensure the security of data and assets. Subsequently, data security plans are reviewed annually, and through the audit facilities on Solution 9 any non-compliance issues can be identified and addressed.

STUK and partners have a business contingency plan, which clearly indicates action to be taken in the event of a disaster within delivery sites to protect the data and assets. Due to Solution 9 being a web-based platform the retrieval of data is simplified and as a result minimises the risk to all stakeholders.

Health and safety on partner sites is addressed throughout due diligence, which includes a site visit, and subsequently reviewed annually through a site visit. Similarly, the policies and practices to assure the safeguarding of people at risk are reviewed throughout due diligence, including the Disclosure and Barring Service (DBS) checks for delivery staff, which are reviewed annually and throughout site visits. Partners made reference to health and safety and safeguarding being address throughout partner days to ensure practices continue to be current.

STUK promote their commitment to environmental sustainability through their CSR strategy, which incorporates wider organisational and stakeholder expectations. Partners are expected to have a sustainability policy, which is submitted and scrutinised throughout due diligence and subsequently reflected upon annually. Whilst in its infancy there is a greater awareness of environmental sustainability across the supply chain, which is supported by initiatives to reduce travel, cost and the impact. In the future, consideration could be made to how this will become fully embedded as a result of using appropriate, consistent measures across the supply chains, for example, reduction in carbon emission, waste, paper usage, increased recycling, etc. Some partner comments included:

"STUK encourage us to email rather than posting paperwork."

"Lots of training is done on-line."

The sharing of excellent / good practice has improved over the past two-years through the development of case studies, which are shared across the supply chains. In addition, the partner days provide an ideal opportunity for networking and formally / informally sharing excellent / good practices. The performance manager and continuous improvement officer facilitate the sharing of practice across the supply chains when meeting partners on a one-to-one basis, which on occasions has resulted in a partner being advised to visit another with the aim of expanding their knowledge and understanding. Some partner comments included:

"I've learnt some brilliant innovations."

"Best practice is shared at the cluster meetings, and STUK produced a leaflet to encourage sharing of ideas and practices."

"There's been more sharing of best practice since 2012."

"I presented to other partners how we do things and was invited to visit a partner that was struggling on how to engage with individuals."

3c) Honouring Commitments

Partners confirmed that STUK honoured their commitments pre and post contract negotiations, and clear verbal and written communications have ensured that both parties have clarity regarding the contract agreements. Partners are confident to discuss anything and everything with the performance manager and senior leaders, and consequently in the case of uncertainty would seek clarification.

Partners described how they are actively encouraged to review profile and volumes, and consequently any variations in the contract are formally acknowledged. Some partner comments included:

"Our volumes went up as we took work from another partner – we had a formal variation to the contract and the negotiations went really smoothly."

"We originally had 66 now around 400, the variation was confirmed in a formal document."

Partners confirmed that throughout the life of the contract/s they had been kept fully informed of any changes to financial arrangements, including those claims declined, and consequently payments continued to be made in line with the agreed terms and conditions once amendment and / or submission of accurate information and quality evidence.

Those partners interviewed confirmed that they were aware of the complaints procedure, however, many reiterated that the working relationship with STUK was open and honest, respectful and meaningful. In addition, they had the confidence to discuss issues with the appropriate personnel, including grievances, and consequently believe these would be resolved promptly, due to their responsiveness and desire to work in a genuine partnership. Some partner comments included:

"I can't believe that we'd get into a dispute."

"If there's anything that pops up that we're not happy with we'd ring someone in STUK."

"It never even gets to an issue, so I can't see we'd get into a dispute."

Members of the senior leadership team stated that they would fully respect the decisions made as a result of the Merlin Mediation Service, if they were to be deemed to have not acted in accordance with the principles of the Merlin Standard. Whilst partners were aware of the Merlin Mediation Service they strongly believed there would never be a need to use it based on the current behaviours displayed by STUK.

Open and honest discussions are undertaken with partners before, during and after contract award to ensure they clearly understand the expectations at every stage of the relationship. Throughout the life of the contract the monthly performance review provides partners with a clear indication of the expectations for the forthcoming period and appropriate actions to contribute to their success / achievement.

The monthly reporting process provides each partner with a clear indication of their performance levels and their ranking within the supply chain, whilst other's performance is indicated they are not referenced to avoid the naming and shaming culture. However, evidence indicated that partners requested information regarding the high performers with the aim of gaining access to good / excellent practice.

3d) Performance

STUK have actively encouraged collaborative working throughout the life of the contracts with the aim of improving the success rate across the supply chains, and every effort has been made to empower partners and encourage them to establish links with others. Partners recognise the benefits of working together and ensuring the service is 'fit for purpose' for each customer. Some partner comments included:

"Honest brokerage and signposting based on 'fit for the client'."

"We've talked to STUK about linking with the colleges to see if there is joint work we can do."

In 2012 the contracts were in their infancy, partners were experiencing low volumes and consequently STUK demonstrated a level of sensitivity, and adopted an informal approach to performance management, which proved to be effective. However, following the Merlin assessment in 2012 it was recommended that a far more robust and formal approach be adopted, which has subsequently been implemented.

Partners described the performance management strategies, which included daily and weekly reporting, and monthly reviews. All interviewees (partners) confirmed that the monthly performance review provided the opportunity to address progress, projections, issues and concerns relating to performance and the contract.

Whilst on occasions partners have experienced under-performance, performance improvement notices have not been issued, and the performance manager has worked with the partner; sharing ideas, good practice and providing appropriate coaching and support with the aim of improving performance, which has been successful to date. Some partner comments included:

"Its about 'what can I do to help you achieve', not treating you as inadequate."

"It's a true partnership, we all have to be successful to make the contract a success."

Partners also made reference to the performance manager encouraging them to identify and recognise innovation and achievements, which as previously stated are presented in the form of case studies and shared across the supply chain and with the commissioner.

Partners confirmed that the performance expectations were clearly defined pre and post contract award through a range of meetings and site visits, including those with STUK senior leaders, and documentation. Subsequently, partners confirmed that as a result of the ongoing monthly performance review the expectations were clear and a plan of action agreed throughout the life of the contract.

Partners made reference to Solution 9 being the MI platform, which is robust and generates a range of consistent, accurate and appropriate information, contributing to driving performance over the past two-years. Some partner comments included:

"Its fantastic, everything you need to manage a contract."

"Really nice, easy to read reports."

"Its user-friendly and gives all the information, including why claims rejected."

"We wanted to use Solution 9 to keep our administration costs down."

Whilst Solution 9 has been in place for the past two-years the platform has evolved and consequently additional formal and informal learning and development interactions have been provided to ensure partners gain maximum benefits from the system. Some partner comments included:

"Always training available for Solution 9."

"It you're not sure about anything, X will give some on-the-job coaching."

Partners also made reference to the various functions of Solution 9 and the fact that it was an effective tool to measure the distance travelled by the customer, for example:

- ▲ The ability to identify those subject to 'falling-off' the programme, which enabled them to keep them engaged.
- ▲ Analysis of the progression of customers enabled the opportunity to establish plans to progress them to the next progress measure.
- ▲ Analysis of the progress measures actually used; at one stage throughout the programme indicated 26 of the 27 being used, which facilitated conversation on the remaining measure.

As previously stated, a high proportion of partners appreciate a management fee is due to STUK, and more importantly believe they gain value for money as they are able to access a range of resources, including, but not limited to learning and development and the MI platform.

Partners referenced value for money across the contracts as a result of delivering and achieving the outcomes, for example, progress measures and job outcomes, and a number noted that STUK were above the national average. Some partner comments included:

"Absolutely, I think the national average for job outcomes was 4%, and I think we're about 15%."

"This contract is delivering to customers that the Work Programme has almost forgotten about ... the contract is definitely value for money."

Some partners made reference to their contribution and the value for money provided, for example:

"We don't make any money out of the Youth Contract, it costs as much as we get back – its value to the young people and the Government."

"We got a contract because of our value for money, we provide above-and-beyond, sustainable support and embrace accessibility and inclusiveness as a measure."

Whilst there was a general understanding regarding the term 'value for money' there were many definitions, (which may be appropriate). However, consideration could be made to incorporating value for money within the core principles to provide a definition and clarification relating to the term. STUK could also measure partners against the requirements throughout due diligence and the life of the contract, for example, 'going the extra mile'.

3e) Promoting Diversity and Equality

STUK continue to adopt a positive approach to diversity and equality, and proactively promote it within their core values and subsequently at the start of the relationship with partners through due diligence. New partner's confirmed that their diversity and equality policy was scrutinised and feedback provided indicating the alignment to that of STUK.

Subsequently, on an annual basis the diversity and equality policy is reviewed to ensure changes to legislation (if any) have been addressed, and monitored through site visits to review advertising, marketing and job promotion materials to ensure they are in line with legal requirements.

STUK is committed to being a 'Positive About Disability Provider' and has achieved a *strong* rating following the DWP ESF Regulatory and Cross-Cutting Themes for Diversity and Equality and being awarded the ESF Mainstream Leader Award for Equality of Opportunity in November 2013. These achievements are actively promoted to demonstrate their on-going commitment to diversity and equality.

If appropriate, STUK provide partner's delivery staff with access to learning and development activities to address diversity and equality and take every opportunity to promote additional support to improve the delivery of the service by partners.

An annual Equality and Diversity Impact Assessment (EDIA) is undertaken, which provides analysis of the achievement against of a range of cohort groups, and impact on the wider socio economic outcomes. Impact measures are put in place through the EDIA, which forms the basis of the action plan, which is reviewed throughout the year.

As previously stated, Solution 9 is the MI platform used to capture data relating to diversity and equality, which is populated by partners. Subsequently, a range of reports can be generated to monitor diversity and equality across the supply chain and at partner level. Partners explained how the data is used, for example: throughout the partner days the diversity and equality profile of partners is matched to the local profile and demographics, and variations discussed to identify potential actions.

In 2012, the number of referrals was low and partners failed to have a clear understanding of Solution 9 and consequently the analysis and usage of the diversity and equality data was limited, however, over the past two-years the data collected from Solution 9 and the EDIA has proven to be invaluable. It has provided STUK and partners with an indication of the achievement levels of the different cohorts, gaps in provision and issues being faced by customers, for example:

- ▲ Romany / travellers failed to access the service even though they represented a large percentage in an area, consequently, through targeted activities this has increased to 10%,
- ▲ The client group for Progress! tended to be female, which was due to the approach taken by those referring customers, following education an increase in male customers has been experienced.

Where appropriate, the data is benchmarked, for example, the findings indicated that 23% of customers on the Progress! experienced health related issues against a national average of 5% and 15% declared by Papworth Trust. A breakdown of the health related issues highlighted 21% experienced anxiety and depression, which consequently, resulted in additional services being commissioned by a new partner.

4 Review

4a) Supply chain review

Continuous improvement is at the heart of the organisation, and as a result STUK actively seek feedback from different stakeholder groups with the aim of driving improvements across the organisation and services being delivered.

The senior leaders are ambassadors for the services provided and as a result seek to gain feedback from Government, LA, JobCentre Plus, and other networks to review the provision and feedback at a national and regional level, which drives improvements for the current and future of the services. Partners are actively encouraged to work with and seek feedback from their LA and JobCentre Plus, and consequently improvements are identified, which influences the delivery of the service, for example, referrals of different customer groups.

Partners are encouraged to provide feedback through a range of formal and informal methods, for example, partner days, performance reviews and general discussion, which informs improvements at local and regional level. Partners actively seek feedback from customers and employers, which contributes to improvements at local level, and whilst this feedback is reviewed throughout performance reviews, consideration could be made to a far more robust approach being made by STUK.

A range of external audits and assessments are undertaken, for example, Investors in People, **matrix**, Merlin, Ofsted, EFA Full Assurance Audit, DWP Provider Assurance Test (PAT), DWP-ESF Regulatory and Cross-Cutting Themes for Sustainable Development and Diversity and Equality. The feedback gained through these activities becomes part of an action plan and drives further improvements, which was evidenced through the improvements made since the Merlin assessment in December 2012.

An annual SAR is generated for each contract, which is resultant in the development of action plans to inform continuous improvement activity. Historically, partners were actively involved through a range of formal and informal feedback mechanisms, which resulted in the areas for improvement being shared through action plans. The approach adopted by STUK in 2013/14 was far more informal and reliant on feedback throughout partner days, performance reviews and general discussion, and subsequently, the improvements identified were shared through a workshop; Continuous Improvement. However, some partners failed to appreciate their contribution to the SAR and that the workshop included the findings from the SAR, and those that failed to attend were unaware of the outcome. As a result, in the future, consideration could be made to formally engaging all partners in the process, linking action plans to the findings of the SAR and communicating in different ways. One partner comment included:

"I've been asked to contribute to their self-assessment – not sure I've seen the results of that though it might have been presented at the past partner day, but I wasn't there."

Supply chains are kept informed of the wider objectives and policy intent of the commissioner through the partner days, and if appropriate email and performance reviews. On-going review of the progress measures being used aims to ensure the supply chains continue to be aligned to the wider objectives and policy intent. Similarly, meetings with the LA and JobCentre Plus at local level provide the opportunity for partners to review and ensure the service provision is aligned to the wider objectives and policy intent. One partner made the following comment:

"We're acutely aware of the social objectives and we make sure our services offer more than just the outcome of the contract. We want individuals to become positive contributors to society and avoid teenage pregnancy and the reliance on benefits."

The use of effective progress measures and development of case studies has actively encouraged partners to review the outcomes against the contract and wider objectives and policy intent. Consequently, partners had a good understanding of their impact and that of the supply chain, which included, the reduction of worklessness, homelessness, improvement in health and well-being and the development of sustainable communities. Some partners made the following comments:

"Employment changes people's lives more than any other intervention the fact that they gain a qualification spurs them on it helps them with their confidence and self-esteem, and gets them back into a positive way of living."

"The support we offer young people ensures that they sustain their learning, which is good for the local colleges."

"It's about health first, and then we can move them forward."

"The case studies are excellent at ensuring how we've impact on the lives of people."

"The progress measures are good and indicate the impact we've had on participants."

"The Youth Contract has enabled us to develop capacity and capability to offer more to the young people."

Similarly, partners were aware of the contribution the supply chain has on the environment as a result of reducing the number of partner meetings, having access to webinars, effective email and verbal communications with STUK, etc. Some partner comments included:

"We have a day meeting, instead of two-three meetings where twenty three people need to travel."

"The use of webinars is so time, cost and environmentally effective."

"We have an annual handbook for Progress! we don't reprint unless there's any changes."

As previously stated, STUK have actively reviewed the supply chain through a range of analysis, including diversity and equality data and the feedback from other stakeholders; partners, LAs, JobCentre Plus, etc. and consequently changes have been made in order to meet the changing needs of the customers. This was evidenced through an increase of 17 partners from public, private and third sector across the contracts, some providing a niche service to address specific customer groups.

Conclusion

STUK continues to meet the requirements of the Merlin Standard, having demonstrated that communications are open, honest and without restraint. Partners believe that interactions are positive and supportive, and they were very complimentary of the responsive approach adopted by STUK in dealing with concerns, issues and challenges being faced regarding any aspect of the contract, for example, performance, compliance, etc.

It was evident throughout the assessment that STUK had responded to the feedback provided throughout the initial Merlin assessment in December 2012 as significant improvements had been made, which included:

- ▲ Consultation and involvement of partners in the design of systems and processes,
- ▲ Development of partners and their delivery staff,
- ▲ Consistent and robust approach to compliance,
- ▲ Implementation of a positive and supportive approach to performance management of partners,
- ▲ Analysis of the diversity and equality data to influence the delivery of the service,
- ▲ Review of the impact of partners on the wider social objectives / policy intent.

In 2015, the current contracts come to a close, and consequently, STUK will experience a number of changes. Over the forthcoming two-years it will be critical that a similar approach is taken to designing and managing supply chains, and addressing the areas recommended for improvement following this assessment in preparation for an assessment in December 2016.