



merlin

promoting supply chain excellence

KENNEDY SCOTT

Assessment Dates: 22/08/2016 to 24/08/2016

ASSESSMENT SERVICES
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1. About the Organisations

Kennedy Scott was formed in September 1989 as a subsidiary of The Principals, marketing and design group. After 18 months, the current Chief Executive Officer acquired the company outright and has remained owner-manager for the last 25 years. During this time Kennedy Scott has developed a good reputation for the quality of service and results in supporting those with the most complex barriers to find jobs where they can start to build successful careers.

The current portfolio of contracts is diverse and comprises of funding streams from European Social Fund (ESF) and Department for Work and Pensions (DWP), as well as a number of local funders, for example, Oxford County Council.

Historically, Kennedy Scott was primarily a subcontractor to Prime organisations delivering the DWP Work Programme across the South East, London, and Hertfordshire, and the Work Choice in Bedfordshire, Hertfordshire and Berkshire. More recently it was successful and became a Prime to deliver the Specialist Employability Support (SES) contract, which is funded by DWP. In addition, it was successful in bidding for the OxForward contract as a Prime; the programme is a voluntary Wellbeing and Employment Support service for adults living in Oxfordshire, including individuals who have a disability.

In both cases, Kennedy Scott opted to work with a supply chain to achieve the funders' objectives, and currently subcontract 25% of the SES contract and between 40 and 50% of the OxForward contract.

The SES contract started on 1st September 2015 and currently comprises of seven Partners within the supply chain to support the delivery of a national contract. Whilst the OxForward contract started at the beginning of 2016 with a supply chain of two local Partners and one National Partner.

2. Assessment Methodology

Kennedy Scott was mandated to undertake an initial assessment against the Merlin Standard prior to 30th August 2016 as a result of being awarded the SES contract by DWP. The purpose of the assessment was to gain accreditation against the Standard, to demonstrate the organisation is managing the supply chain effectively, identify areas of strength and those to consider for further improvement.

The assessment team comprised of Lorna Bainbridge (Lead Assessor) and one Team Assessor: Janette Russon, and was supported by a Coordinator from within Kennedy Scott. The Lead Assessor and Coordinator started planning the assessment in May 2016 where by the logistics of the assessment and the on-site dates were agreed.

The Lead Assessor was in contact with the Coordinator prior to the on-site to review the scope, schedule and logistics. The Merlin Survey was distributed eight weeks prior to the on-site date. The Self-Assessment Questionnaire (SAQ) and Pre-Assessment Notes (PAN) were submitted in line with the guidelines and within the agreed timeframe. The interview schedules were prepared and shared with the Assessors in preparation for the on-site activity in a timely manner.

The Lead and Team Assessor spent two days undertaking interviews with 100% of the tier 1 and 2 Partners, in addition a representative sample of potential Partners were also interviewed. Interviews included Kennedy Scott's staff involved in the strategic and day-to-day management of the supply chain to enable the assessment team to gain a full understanding of the delivery model, including the systems and processes implemented.

Following the interviews, verbal feedback was provided to the Coordinator of the assessment, Commercial Director and Business Development Executive. This indicated the outcome of the assessment, areas of strength and those to consider for further improvement against the Principles of the Merlin Standard.

3. Assessment Outcome

Overall	%
Overall Outcome	67% Satisfactory
Supply Chain Design	73% Good
Commitment	75% Good
Conduct	61% Satisfactory
Review	57% Satisfactory

4. Areas of Significant Strength

A number of significant strengths in practice were identified during this Merlin assessment and summaries of these are given below. The numbers in brackets refer to the criteria of the Standard to which the areas relate.

- Partners described the various stages of procurement, which included the completion of the Expression of Interest (EOI) and Call for Proposal (CfP), and confirmed that communication was proactive and effective due to the interest and support demonstrated by the Kennedy Scott Business Development Team. They believe staff were encouraging and had a genuine desire to partner with them at an early stage. Equally, throughout mobilisation and leading onto implementation of the contract Partners believe that communication has been effective. (2a.1)
- Whilst Kennedy Scott has experienced a number of staff changes at the early stages of implementation of both contracts; Partners believe that the right people are in the role and subsequently they have experienced better business relationships and a positive approach to partnership working. There is clarity regarding the roles and responsibilities of Kennedy Scott staff, and Partners believe they are professional, approachable and responsive. (2a.4)
- Kennedy Scott have developed a culture whereby communication is open, honest and without unreasonable restraint, which Partners believe was evident at the start of the relationship. A level of confidence and trust was gained at the start of the relationship and continues to strengthen. Partners believe that their interactions with Kennedy Scott staff are very positive and supportive and there is clear evidence that it is 'one team' delivering the respective contract; direct delivery and supply chain. (2a.5, 3a.3)
- Partners are provided with access to an extensive range of learning and development activities to support the delivery of the contract, which starts with an in-depth induction through to continually building upon the knowledge and skills of the delivery staff, which includes a range of workshops, webinars, one-to-one support, etc. (2b.3)
- Kennedy Scott provided Partners with the funding models and terms and conditions for payment for the respective contracts, which they believe are fair, proportionate and do not cause undue financial risk. Partners confirmed that the self-billing process is straightforward and subsequently all payments have been made in a timely manner and accurately. (2c.2, 2c.7)
- A robust approach has been designed to ensure the security of data and assets within the supply chain. This starts with the review of policies and procedures throughout due diligence; refreshed annually, and complemented by planned visits to premises, quarterly newsletters and quizzes to promote the importance of / and maintain security of data and assets. (3b.4)
- To date Kennedy Scott has honoured its commitments to their Partners, and met their expectations in terms of ensuring post contract finance and contracting arrangements

reflect pre-contract agreements, and where changes have taken place these have been communicated clearly with a full explanation and subsequent agreement. (3c.1)

5. Areas for Improvement

The following areas for improvement could be considered for review and addressed in the future. The numbers in brackets cross-reference the findings to the relevant element and criteria of the Merlin Standard.

- Kennedy Scott recognises the importance of ensuring Partners are fit for purpose to deliver the contract and complete initial and annual due diligence activities. In addition, support has been provided to develop robust approaches to compliance and delivery of the customer journey. In the future, consideration could be made to establishing additional support required by Partners with the aim of building a strong foundation to develop sustainable businesses that continue to evolve. (2b.1)
- An open and transparent procurement process has been designed and implemented, however, consideration could be made to making further improvements. These improvements could include sharing the scoring mechanism and ensuring a clear, meaningful rationale is communicated to unsuccessful Partners, and suitable advice and guidance provided to support future bid activities. (2c.1)
- Every effort has been made to communicate the management fees to Partners, including the open and transparent approach on the website. However, whilst Partners are aware that a management fee is paid and there is a clear understanding of the service and support gained from Kennedy Scott, there was an apparent lack of awareness regarding the value of the management fee. In the future, consideration could be made to raising awareness of the percentage management fee being paid to enable Partners to provide quantifiable examples of value for money. (2c.8)
- The weekly tele-kit and monthly performance review are the main methods used to recognise and support innovation and subsequently sharing excellent / good practice. In the future, consideration could be made to defining excellent / good practice and identifying far more robust approaches to sharing these. (3d.2, 3b.8)
- Kennedy Scott has designed approaches to measure the distance travelled by customers for each contract, and continue to refine these to ensure they are fit for purpose. In the future, consideration could be made to a timely review of the approaches to ensure robust measures are identified and implemented. (3d.6)
- Feedback has been gained from a range of stakeholders, for example, Partners, funders / commissioners, and through the use of external inspections and assessments. Whilst every effort has been made to gain feedback from customers this has been less successful and informative. Consequently, consideration could be made to a timely approach to gaining feedback from customers, and ensuring Partners understand and promote the importance of gaining feedback from customers to influence improvements. In addition, consideration could be made to alternative approaches to collecting feedback, for example, 'yousaid, we did', customer forums / focus groups, etc. (4a.1)

Areas for Improvement Cont./

- Kennedy Scott continue to build the Partnership Network and the use of the wider networks to ensure the provision of the service meets the needs of customers, and in the event of a Partner leaving the supply chain alternative arrangements can be implemented to ensure continuity of service for customers. In the future, consideration could be made to designing a robust approach to reviewing the make-up of the supply chains to ensure they continue evolve and meet the changing needs of the customers. (4a.5)

6. Areas Requiring Significant Development

Although the Merlin Standard overall has been achieved with a 'satisfactory' outcome, there are a number of criterion within the requirements of the Standard where limited evidence was presented and require significant development in order to support the organisation to achieve excellence in supply chain partnership working. The numbers in brackets cross-reference the findings to the relevant element and criteria of the Merlin Standard.

- Partners have been advised of additional bid opportunities and encouraged to submit the CfP for the bids being submitted by Kennedy Scott. In the future, consideration could be made to actively promoting local, regional and national bid/grant opportunities and if appropriate support Partners to prepare and submit the bid documentation. (2b.2)
- A Supply Chain Management Framework (SCMF) was designed to support the delivery of the SES and OxForward contracts, which provides an outline of the processes to be adopted to ensure compliance, quality assurance and effective performance management. It was evident that this has failed to be consistently applied, consequently, consideration could be made to reviewing the framework to ensure it is fit for purpose for current and future contracts and address the quality of the service being delivered to be assured that customers gain a positive experience. (3b.1, 3b.2, 3b.3)
- The health and safety and safeguarding policies and procedures were reviewed as part of the due diligence activity, and subsequently the annual due diligence (just started for SES) will address current and future requirements to meet legislative and regulatory requirements. Whilst there was evidence of additional monitoring of health and safety within Partner organisations this was not confirmed by them. Consequently, in the future, consideration could be made to ensuring health and safety and safeguarding practices are reviewed at regular intervals to ensure effective implementation, for example, discussion with the Regional Manager throughout monthly reviews. (3b.5, 3b.6)
- Partners' environmental sustainability policy was collected throughout the initial due diligence, however, at the time of the Merlin assessment no further action to embed and monitor environmental sustainability had been implemented. Consequently, in the future consideration could be made to designing a clear strategy to raise the profile of environmental sustainability, discuss and agree targets with Partners and subsequently monitor performance and impact. (3b.7, 4a.6)
- Partners are aware of the dispute resolution process designed by Kennedy Scott, and in the event of failing to resolve issues informally would be confident to use the process. However, Partners fail to recognise that there is a Merlin Mediation Service and consequently, consideration could be made to raising their awareness of the options available if they believe Kennedy Scott fail to have not acted in accordance with the principles of the Merlin Standard. (3c.3)
- Partners described their understanding of value for money being demonstrated across the respective contract, however, there failed to be a consistent understanding. In the future, consideration could be made to defining value for money for each contract in consultation with the Partners. (3d.5)

Areas Requiring Significant Development Cont./

- The Diversity and Equality policies of Partners were reviewed throughout the initial due diligence to ensure these are aligned to that of Kennedy Scott. Whilst Diversity and Equality is promoted as part of Kennedy Scott and Partner's values there was very little evidence, which indicated additional promotion. Similarly, whilst data is collected relating to Equal Opportunities, for example, age, gender, ethnicity, disability, etc. currently neither Kennedy Scott or Partners analyse and use the information to influence the marketing and delivery of the services. Consequently, in the future, consideration could be made to designing a strategy to address Diversity and Equality within Partner organisations and across the supply chains. (3e.2, 3e.3)
- Partners believe and provided anecdotal evidence, which inferred that the SES and OxForward contracts were having a measurable impact on the wider social objectives / policy intent. However, due to both contracts being within the first year of delivery a full impact analysis had not taken place. Consequently, consideration could be made to the approach to be taken to measure impact, which is inclusive of the Partners and funders / commissioners. (4a.4)

7. Findings Against the Merlin Standard

1) Supply Chain Design

1a) Supply Chain Design

Kennedy Scott's overarching aim is *'to support those with significant barriers, including disability, to enter and sustain meaningful work'*. In an effort to achieve this it seeks to access funding to deliver a range of services to customers with a diverse range of needs. It has had the aspiration to become a Prime in its own right, having identified and positioned itself in the market place; working with customers with complex needs and those furthest away from the job market.

The Business Development Team seek funding opportunities and gain a full understanding of the funder's / commissioner's objectives and contractual requirements prior to bidding for any contracts. Research activities are initiated to ensure the opportunity contributes to the overarching aim of Kennedy Scott, for example, desktop reviews are undertaken to identify and fully understand the customer group/s and indicative flow, demographics, geographical complexities, etc. Where feasible a range of stakeholders are engaged, including potential Partners to gain specific information based on their experiences of working with the customers group/s, geographical areas, etc.

Kennedy Scott has designed a robust selection process to ensure the scope and variety of its supply chains to meet the funder's / commissioner's objectives and meet contractual requirements. The **SPRITE** supply chain management methodology designed by Kennedy Scott has been implemented, which outlines the different stages / behaviours potential Partners can experience throughout their first dealings with Kennedy Scott, which include:

- Sharing of information at all stages,
- Proportionate offers, payment terms and administrative burden,
- Reciprocity – do unto others as you would have done to you,
- Integration of services through our Circle of Support model,
- Transparent processes,
- Equitable terms and conditions.

Prior to promoting the opportunity to partner with Kennedy Scott the delivery model is designed to meet the aims and objectives of the funder / commissioner. This is undertaken in conjunction with different stakeholders, including strategic Partners; those identified as a key Partner within the bid. The delivery model determines the initial scope of potential Partners to form the supply chain, for example, end-to-end Partners and / or specialist provision, as well as geographical area/s. This information is made available to potential Partners prior to submitting the bid to ensure they understand the requirements of the contract.

The organisation seeks to work with Partners who have both proven performance levels and innovative delivery models. In addition, for the purpose of the SES contract, potential Partners were required to be either in a position to deliver the service at a national level, or able to address specific regional needs as well as meeting the diverse needs of customers, which would contribute to the commissioner's objectives. Consideration is made to working with Partners from the public, private and third sectors. Currently due to the nature of the contracts the supply chain comprises of 12.5% public, 75% third sector and 12.5% private sector organisations.

Kennedy Scott and its Partners use the 'Circle of Support'; a delivery model designed to support customers throughout their journey (both SES and OxForward). This provides customers with access to a range of interventions / services provided by both contracted Partners and non-contracted providers, including those from the local area.

The Circle of Support directories have been designed and consist of two major component parts:

- Reference Folder - available in both hard and soft copy, provide a summary of local services available to customers, including types of service and contact details for signposting and self-referrals. These are available in our offices for both customers' perusal and the use of our Caseworkers and other relevant staff. This is revised periodically.
- Electronic Directory – provides a range of information including contact name and job title, email and telephone number, website and notes. It is edited in real-time to add new organisations, and as a result updates can be made as and when. Currently, this has more than 225 entries, available as a resource.

Potential Partners are actively encouraged to join the Partnership Network through the completion of an initial EOI. These organisations are from the private, public and third sectors, and whilst due diligence will be required, if necessary, specific services can be sourced from this listing to meet customer needs.

At local level, the Business Development Executive is creating a footprint and forging relationships with wider networks. The aim is to identify gaps in the delivery and influence the design of services, as well as identify potential Partners, network and learn from others, for example, Local Authorities (LAs), JobCentre Plus (JCP), local health related and disability organisations, etc.

Kennedy Scott's senior leaders actively network, source information and lobby other stakeholders, including Members of Parliament, DWP and the Employment Related Services Association (ERSA). The aim is to have a strong influence on the design of future services to support people with significant barriers, including disabilities.

2) Commitment

2a) Collaboration, Cooperation and Communication

Collaboration, cooperation and communication was recognised as an area of strength throughout the assessment. The Business Development Team have designed clear communication systems to promote the opportunity to submit an EOI to join the Partnership Network, for example, website, Carley Tender Tracker and networking at local, regional and national events. Once a bid opportunity is identified potential Partners are advised through tender trackers, events, the website and an email to those within the Partnership Network.

Current and potential Partners confirmed that they completed the initial EOI to become part of the network, and subsequently submit a CFP for specific bid opportunities. Information is available to support potential Partners to complete the CFP, for example, outline of the bid opportunity, delivery model, geographical area/s, funder's / commissioner's overarching objectives, etc. Potential Partners have access to support and guidance through a dedicated email or telephone number throughout the completion of the CFP, if requested.

Communication is ongoing throughout the procurement process through email, meetings and verbal feedback with the aim of managing potential Partner's expectations. Throughout mobilisation a range of communications take place, for example, meetings, tele-kits, webinars, emails, etc. which continue throughout the life of the contract.

A high proportion of Partners confirmed that communication was effective throughout the procurement and continues to be due to the regular activities, for example, weekly tele-kit, monthly performance review, compliance and quality assurance visits, ongoing learning and development, as well as staff being available via telephone or email, when required. Some Partner comments included:

"Excellent communication."

"Kennedy Scott are very transparent and flexible."

"Can't fault them, good communication from the on-set."

"The EOI process with Kennedy Scott has been much more friendly, empathic, more flexibility – a lot more interactive a lot more involvement."

Kennedy Scott create many opportunities for Partners to be involved in designing systems and processes to support the delivery of contracts, which takes place prior to submitting the bid, upon contract award and throughout the life of the contracts. A number of Partners made reference to being consulted regarding delivery models, customer journey, paperwork, Management Information reports, etc. and confirmed that Kennedy Scott appeared to be genuinely interested in their views and opinions.

The design of the supply chain encourages collaborative working at the start of the contract as the induction includes all staff; direct delivery and supply chain, and provides the opportunity to 'get to know each other'. This approach continues throughout the life of the contracts through the weekly tele-kit and Partner meetings.

Partners made reference to working closely with the Kennedy Scott offices, sharing resources and supporting the delivery of the service. There was evidence of Partners negotiating areas, referrals and starts to ensure all parties are successful in the delivery of the contracts. Some Partner comments included:

"Lots of collaboration between X and ourselves."

"We're one team, so work closely."

"We work with Kennedy Scott offices really well."

The SCMF outlines all processes of communication with Partners and indicates the different staff involved in the delivery cycle, for example, all contracts are allocated a primary communicator, which is the Regional Manager. This individual is supported by and works closely with the Quality and Compliance Manager, Management Information Manager, Operational Manager and the Commercial Director. Partners clearly understood who their key, named contact was; Regional Manager and others involved in supporting the delivery of the contracts.

In turn, Partners' roles and responsibilities, including the expectations relating to communication and been discussed and agreed, and as a result there is a clear understanding of what each party could expect from the other. Partners confirmed that the relationship with Kennedy Scott staff is very positive and professional, the staff are supportive, accommodating and show a genuine desire to work together.

Partners spoke of a culture of openness and honesty and confirmed that Kennedy Scott, to date, had consistently portrayed these behaviours. Partners are confident to discuss different aspects of the contract, challenge the way things are done as well as raise issues and concerns, and confirmed that they consistently receive favourable responses. A number made reference to *'they appreciate they can't do it without us'*, *'their success is based on our success'* and *'they want us to be successful'*.

2b) Developing Supply Chain Partners

Kennedy Scott provide Partners with feedback, and if appropriate, information and advice to ensure the policies and procedures, including those relating to Diversity and Equality, security of data and assets, etc. are fit for purpose and meet the funder / commissioner objectives. In addition, any changes to legislation and regulatory requirements are communicated to Partners and relevant checks are made to ensure understanding and implementation of the requirements.

Partners are actively supported throughout contract mobilisation, and have access to a range of activities to equip them to deliver the service. Activities included an extensive joint induction for the SES contract whereby Partners and internal delivery staff shared delivery models, expertise and good practice in order to develop their own service offer for the benefit of customers. Subsequently, throughout the life of the contract Partners have been supported to implement robust audit and dip sampling activities to ensure compliance of the contract in line with the funder / commissioner objectives.

Kennedy Scott recognises the importance of ensuring Partner organisations are fit for purpose and equipped to deliver the contract. In the future, consideration could be made to establishing additional support required by Partners with the aim of building a strong foundation to develop sustainable businesses that continue to evolve, for example, financial modelling, business planning, evaluation methods, etc.

Partners have been advised of additional bid opportunities through Kennedy Scott and encouraged to submit the CfP for those bids. There was evidence of one Partner increasing its footprint as a result of gaining additional funding through the actions of Kennedy Scott, however, to date, there has been limited funding / grant opportunities due to the external, political environment. In the future, consideration could be made to actively sourcing and promoting local and regional bid / grant opportunities, possibly sourced by the Business Development Executive, and if appropriate support Partners to prepare and submit the bid documentation.

Whilst extensive training was provided at the start of the contracts for example, induction, Circle of Support model, quality and compliance, use of Management Information, etc. opportunities for on-going learning and development continue to be identified / responded to in order to ensure delivery staff are equipped with the necessary knowledge and skills.

Partners made reference to a broad range of development, for example, refresher training with National Autistic Society, which was identified due to particularly high number of customers on the autistic spectrum and in line with a service improvement approach. Additional training has been provided to improve the completion of the paperwork, delivery of the Circle of Support model and customer journey, as well as improving the quality of CVs and action plans to ensure they meet the outcome requirements. Further support has been provided relating to Kennedy Scott Information System (KSIS) and reviewing Management Information, as well as the implementation of compliance activities, etc.

A range of methods are used to deliver learning and development activities, for example, workshops, webinars, shadowing, sharing knowledge and information, one-to-one coaching and on-the-job support. One Partner said:

"They genuinely deserves five stars!"

2c) Contracting and Funding

Kennedy Scott have a robust approach to procuring contracts, which starts with the completion of the EOI to join the Partnership Network, and completion of a CfP to demonstrate interest in future bid opportunities. All CfP submissions for the SES and OxForward contracts were assessed against three criteria; relevant experience, added value and location/s and used a scoring grid to ensure a fair and transparent approach to selecting its Partners. Successful and unsuccessful organisations were notified via email of the outcome, and specific feedback was provided to unsuccessful organisations on their submission. Successful organisations were given a formal partnership offer, which included some commercial details and requested to sign a declaration to confirm that they would like to be included in the bid on that basis. Once Kennedy Scott was awarded the contract formal due diligence checks started to take place, along with preparing Partners to deliver the service.

Partners confirmed that throughout each stage of procurement communication was effective, and they clearly understood each stage of the process. Reference was made to both the EOI and CfP being straight-forward and requiring minimum information, and timely responses following the submissions. They believe that the process was fair and transparent due to the way the Business Development Team operated.

Partners prepare and submit information relating to their initial expectations when completing the CfP, which includes price, volumes, locations, etc. This provides Kennedy Scott with the starting point to discuss and negotiate the terms and conditions for contracting.

Partners confirmed that the funding / payment terms were openly discussed and found Kennedy Scott to be very open, and subsequently generous. Consequently, the contract was deemed to be viable and did not cause any undue financial risk.

The contractual documentation is designed and clearly defines roles, responsibilities and obligations of all parties. This confirms the terms and conditions of the contract, for example, funding, profiles, volumes, payment methodology, etc. and reflects the requirements of the funder / commissioner. Partners confirmed receipt of the contract and felt it was appropriate and proportionate, and clearly defined the obligations and expectations of all parties.

Kennedy Scott established a clear rationale to support a viable and transparent allocation of market share within the supply chains, and subsequently these were clearly understood by Partners. However, it is fair to comment; Kennedy Scott continue to be open to negotiations and in one area encouraged the two Partners to discuss and agree the market share.

As indicated above, the CfP provides Partners with the opportunity to indicate volumes, which is subsequently, discussed and agreed. The performance expectations are provided to all Partners prior to submitting the CfP, and upon contract award these are reviewed in line with the requirements of the funder / commissioner. Consequently, there is a clear understanding of all the contracting arrangements, expectations and outcomes.

Kennedy Scott takes into consideration the requirements of Partners in pre and post contract award processes and payment structures, due to their approach of working with Partners throughout the CfP and following contract award.

Partners described the process for raising invoices, which was straight-forward through a self-billing arrangement. Subsequently, at the time of the Merlin assessment all transfers of funds / finance was correct and made in line with the terms and conditions. Some Partner comments included:

"The best payers we have experienced."

"Payments are a delight."

"Straight-forward process."

Whilst Partners recognise that there is a management fee and these are promoted on the website, there was an apparent lack of awareness regarding the value of the fee. Consequently, consideration could be made to raising awareness of the percentage management fee being paid. Partners were aware of the support and services gained for the management fee, which includes quality and compliance, performance management, learning and development, advice and guidance, etc.

3) Conduct

3a) Demonstrating Commercial and Business Integrity

As previously indicated, Kennedy Scott's aim is to support those with significant barriers, including disability, to enter and sustain meaningful work, and consequently opt to partner with those that have the same mind-set. Kennedy Scott has a core set of values that set out to describe the way it operates with all stakeholders. Some key statements include:

- To operate a viable and profitable company working to the highest standards of integrity and professionalism,
- To demonstrate respect and courtesy at all times,
- To encourage initiative and creativity to promote a culture of continuous improvement,
- To develop through all individuals a culture of excellence in health, safety and environmental responsibility.

The values are communicated to potential Partners and as a result partnerships are created based on mutual respect for the way Kennedy Scott operates. Partners confirmed that they had opted to work with the organisation due to its overarching aim and principles. Some Partner comments included:

"Ethical values between us are very apparent even though we are charity and Kennedy Scott is a private organisation."

"Values match with ours exactly – customer centered progress / circle of support."

"Have similar values to ours, which is why we were so interested in working with Kennedy Scott."

"Behaviours and values are very close together – beginning of the contract discussions were very open and honest all the way through."

A strategy to manage TUPE has been designed. At the time of the assessment there had been no requirement to implement TUPE, and as a result, this aspect of the Standard was not fully tested throughout this assessment. Confirmation was gained that the TUPE strategy would be mobilised, where appropriate, in the future by working with the appointed HR Consultant.

Partners confirmed that all interactions with Kennedy Scott had been positive and supportive, from the initial contact all the way throughout the relationship. Reference was made to staff being available and approachable, and prepared to work together to achieve a common purpose. Some Partner comments included:

"Behave like a delivery partner holding the prime contract."

"I can't fault them."

"Relationship is very much about a partnership and support one another."

"Overall pleasant experience and good relationship forged going forward."

"Very supportive, from the start."

Kennedy Scott update Partners of changes to legislative and regulatory requirements through an email and / or the weekly tele-kits, and subsequently follow up with each Partner to ensure understanding and implementation of the requirements. Similarly, changes to contractual requirements are cascaded from the funder / commissioner either on a one-to-one basis with each Partner or through the tele-kit, and if appropriate confirmed through written correspondence.

3b) Quality Assurance and Compliance

The SCMF was designed to support the delivery of the SES and OxForward contracts, which provided an outline of the processes to be adopted to ensure compliance, quality assurance and effective performance management to meet the funder / commissioner expectations.

The Compliance Coordinator has a robust approach to undertaking a range of audits and dip sampling activities on a monthly basis, and in turn Partners are expected to implement specific compliance testing. Subsequently, each Partner is RAG (red, amber, green) rated (on a monthly basis), actions identified with a time scale for completion indicated on the findings record, which aims to address the areas of non-compliance and contribute to improving the rating in the forthcoming month.

Partners had a very clear understanding of the compliance audit and dip sampling and believe it is a strength of Kennedy Scott. Some Partners explained how these practices had helped inform their own compliance policies and procedures and as a result gained additional business with other funders / commissioners. It should also be noted that feedback indicated that the level of compliance testing could be reduced in some cases, and still continue to meet the need of the funder / commissioner. In the future, consideration could be made to ensuring a full understanding of the level of compliance required by the funder / commissioner and demonstrate a far more flexible approach for all stakeholders.

The SCMF provides an indication of activities to be implemented by Kennedy Scott to monitor the quality of the service and customer experience within the supply chain. Whilst some processes have been implemented, for example, customer feedback, review of delivery with Partners, etc. this has been. Consequently, consideration could be made to reviewing the SCMF to ensure it is fit for purpose and address the quality of the service being delivered to be assured that customers gain a positive experience.

Kennedy Scott is accredited with the **matrix** Standard and has subsequently undertaken the annual continuous improvement checks, which indicates a commitment to assuring the information, advice and guidance (IAG) being provided to different stakeholders; Partners and customers included. Partners confirmed that the IAG received from Kennedy Scott is timely, from a reliable source, current and accurate and meets their specific needs. Guidance notes and handbooks are designed to provide staff with the information required, including systems and processes to deliver the service and the Circle of Support Directories which are frequently refreshed.

Some Partners made reference to Kennedy Scott requesting their policy and procedures to assure the IAG being provided to customers, and subsequently provide evidence of observations and findings, however, this failed to be consistent practice. There are plans to observe Partner's delivery staff every six-months in future to assure the IAG being provided and identify additional learning and development needs, which should be encouraged.

Some Partners made reference to being **matrix** accredited, whilst some made reference to working towards the Standard. In the future, Kennedy Scott may consider mandating Partner organisations to be **matrix** accredited, and if appropriate support them throughout their journey.

Kennedy Scott is accredited with ISO27001, and subsequently has designed and implemented a robust approach to ensure and maintain the security of data and assets within the supply chain. This starts with the review of policies and procedures throughout due diligence, which is to be refreshed annually; there was evidence of this annual activity starting to take place at the time of the assessment. Due diligence is complemented by planned visits to premises at the start of and throughout the life of the contract, as well as some remote testing to ensure the security of data. The findings of due diligence and visits are documented and shared with Partners, and where action is required a timescale agreed.

Partners also made reference to a quarterly newsletter, which all staff are encouraged to read and tested by a quiz, which ascertains the knowledge and understanding and further promotes the importance of maintaining the security of data and assets. One Partner made reference to additional learning and development needs being identified and provided by Kennedy Scott as a result of this approach.

The health and safety and safeguarding policies and procedures were reviewed as part of the initial due diligence activity prior to the respective contract starting, and subsequently the annual due diligence will address current and future requirements to meet legislative and regulatory requirements. There was evidence of the annual due diligence starting for the SES Partners, as they made reference to policies and procedures being requested again.

Whilst there was evidence of additional monitoring of health and safety within Partner organisations when visits were made by the Regional Manager or other staff members, this was not confirmed by Partners. Consequently, in the future, consideration could be made to ensuring health and safety practices are reviewed at regular intervals to ensure effective implementation, for example, open discussion with the Regional Manager throughout the monthly reviews.

Kennedy Scott ensure that Partners have a named Safeguarding Officer and clear policies and procedures in place to address / respond to issues relating to safeguarding. However, to date there was very little evidence of testing the procedures, consequently, consideration could be made to adopting a far more robust approach, for example, a review of safeguarding issues with the Regional Manager throughout the monthly reviews.

Partners confirmed that the environmental sustainability policy was collected throughout due diligence, however, no further action had been undertaken. Consequently, in the future consideration could be made to designing a clear strategy to raise the profile of environmental sustainability, discuss and agree targets with Partners and subsequently monitor performance to fully embed practices across the supply chain.

Partners explained that they are encouraged to share excellent / best practice throughout the weekly tele-kit. In addition, Regional Managers identify and share excellent / good practice throughout the monthly review, which has proven to be beneficial to a number of Partners. One Partner made reference to improving compliance and the segregation of duties as a result of learning from others. Whilst others spoke of gaining different approaches to work with customers with specific barriers, dealing with customers that fail to turn up, etc.

3c) Honouring Commitments

Kennedy Scott have managed Partner's expectations effectively through having open and honest dialogue pre and post contract award. Similarly, every effort was made to ensure negotiations were open and that post-contract finance and contracting arrangements reflected any pre-contract agreements. Partners confirmed that the commitments had been honoured and they were confident to review these with Kennedy Scott if the need arose.

Throughout the life of the contract (SES) changes have been made to the profiles, and whilst some Partners expressed dissatisfaction regarding this there was a clear understanding regarding the rationale.

A dispute resolution process has been designed and publicised to Partners within the contract, which clearly indicates the different stages for a Partner to follow in the event of Kennedy Scott failing to honour their commitments. Partners confirmed that they are aware of the process, but equally have the confidence to discuss anything with Kennedy Scott staff members with the aim of resolving issues before they needed to be escalated formally.

Members of the Kennedy Scott senior leadership team stated that they would fully respect the decisions made as a result of the Merlin Mediation Service, if it were to be deemed not to have acted in accordance with the principles of the Merlin Standard. It should be noted that Partners failed to recognise that there is a Merlin Mediation Service and consequently, consideration could be made to raising their awareness of the options available if they believe Kennedy Scott fail to have acted in accordance with the principles of the Merlin Standard.

Prior to being awarded the contract/s regular and timely communications ensured Partners were kept well informed regarding the status of the bid. Following contract-award, communication with Partners effectively engaged them in mobilising the programme and ensured clarity regarding the timescale and expectations. Subsequently, the contract / service level agreement and frequent formal and informal communications, including the weekly tele-kit ensure that all parties are aware of each other's expectations after contract award, and throughout the life of the contract.

3d) Performance

A Regional Manager is appointed the role of managing both internal delivery and that of the supply chain, which contributes to developing the 'one-team' approach and results in a level of collaborative working. Evidence indicated that resources are shared across direct and supply chain delivery, as well as information and knowledge, which enables staff to deliver the service and meet the needs of each customer.

The weekly tele-kit facilitates a regular review of performance of the supply chain and also provides the detail in relation to the performance of the direct delivery offices and that of individual Partners. Currently, sufficient time (SES contract) is available to discuss in greater detail the progression of individual customers with specific barriers / needs, which contributes to identifying and recognising innovation.

Partners are also confident to raise issues and concerns including those relating to the commissioning and / or procurement throughout these weekly tele-kit discussions. In addition, due to the relationship Partners have with Kennedy Scott they are confident to raise issues and concerns at any stage, formally and informally, and confirmed that they are consistently responsive and solutions focused.

In the first instance an indication of performance expectations was provided to Partners prior to them submitting an CfP, and subsequently, these have been formalised in the contract / service level agreement. The weekly tele-kit provides the opportunity to review performance, the flightpath, outcomes, and review the customer pipeline and forecast for following month. Consequently, Partners clearly understand the performance expectations at any stage throughout the life of the contract.

The KSIS is the central platform designed to capture key information relating to customers. Subsequently, this system is used to generate the Management Information. Partners are provided with a range of reports, and a high proportion believe these provide current and accurate information, which meets their needs. However, it was noted that some Partners are very confident to use the Management Information provided to drive performance, whilst others appeared less adept.

Partners described their understanding of value for money being demonstrated across the respective contract through providing the customer with a positive experience, managing their journey effectively, using resources well, etc. Currently, there fails to be a consistent understanding of value for money across the supply chains, consequently, consideration could be made to defining value for money for each contract in consultation with the Partners. This may encourage the Partners to recognise that the effective utilisation of resources and implementation of specific activities across the supply has a positive impact on all stakeholders.

Kennedy Scott have adopted a range of processes to measure the distance travelled, which tends to be against the key progression priorities of the funder / commissioner, for example, start through to sustainable employment for 26 weeks. This method is used by Partners to monitor and encourage the progression of customers. Currently, other approaches are being designed and / or tested to demonstrate and measure the softer outcomes, which will further contribute to establishing the distance travelled by customers.

3e) Promoting Diversity and Equality

Diversity and Equality is embedded within the core values of Kennedy Scott; *'To value and embrace diversity and offer equality of opportunity to all, directly and through our Partners, to make a valuable contribution within the communities in which we work.'* Consequently, the organisation actively seeks to work with Partners that demonstrate a strong commitment to Diversity and Equality. Throughout due diligence activities Partner's policies and procedures relating to Diversity and Equality were reviewed to ensure they are aligned to that of Kennedy Scott. These policies and procedures are to be reviewed annually as part of the due diligence process to ensure they continue to be fit for purpose.

Whilst Diversity and Equality is promoted as part of Kennedy Scott and Partner's values there was very little evidence, which indicated additional / ongoing promotion to date. Similarly, there was very little evidence of either parties monitoring Diversity and Equality throughout the initial stages of the contracts.

The data relating to equal opportunities is collected on KSIS and provides information relating to gender, age, ethnicity, sexual orientation, learning and physical difficulty. However, currently neither Kennedy Scott or Partners analyse and use the information to influence the marketing and delivery of the services. Consequently, in the future, consideration could be made to designing a strategy to address Diversity and Equality within Partner organisations and across the supply chains.

4. Review

4a) Supply Chain Review

Kennedy Scott seeks feedback from a range of stakeholders, including external inspection, assessment and audit bodies, for example, **matrix**, Investors in People, ISO9001, ISO27001, Prime organisations for Work Programme, funders/ commissioners, etc. with the aim of using the information to improve the service delivery, meet the funder's / commissioner's objectives and improve people management strategies.

Feedback is gained from Partners through the weekly tele-kit, monthly contract meeting and annual Partner survey, which provides the opportunity to review the performance of Kennedy Scott and identify areas for improvement in terms of working together and the support being provided. Whilst every effort has been made to gain feedback from customers this has been less successful. Consequently, consideration could be made to a timely approach to gain feedback from customers, and ensuring Partners understand and promote the importance of gaining feedback from customers to influence improvements.

Kennedy Scott encouraged Partners to complete and submit a Self-Assessment Report (SAR) to contribute to the development its SAR and Quality Improvement Plan (QIP). Reference was also made to the findings and recommendations of this Merlin assessment being incorporated into the QIP, as well as the areas identified for improvement throughout a recent Provider Assurance Team (PAT) audit.

Partners gain a clear understanding of the wider policy and strategy of the funders / commissioners prior to embarking upon the CfP process through written and verbal communication activities. Subsequently, throughout the life of the contract/s Partners are advised of the outcomes of contract review meetings with the funders / commissioners and how this impacts on the delivery to ensure the supply chains continue to be strategically aligned and contribute to the wider social objectives.

Partners believe that the supply chains are having a positive impact on the wider social objectives / policy intent of the funder / commissioner and made reference to increasing awareness of disabilities and creating a far more inclusive society. Reference was also made to promoting and increasing the independence of people hardest to reach / furthest away from the job market as a result of gaining additional social, living and budgeting skills. It is recommended that Kennedy Scott implements its plan to design an approach to measuring the full impact of the programmes on all stakeholders; customers, staff, employers, communities, etc. to gain a full understanding of the contribution supply chains have on the wider social objectives / policy intent of the funders / commissioners.

The Partnership Network continues to grow as organisations complete the initial EOI with the aim of formally partnering with Kennedy Scott in the future. This Partnership Network provides access to a directory of potential Partners, which can be drawn upon at any stage to address the changing needs of customers. In the future, consideration could be made to designing a robust approach to reviewing the make-up of the supply chains to ensure they continue to evolve and meet the changing needs of the customers.

In the event of a Partner opting to leave the supply chain Kennedy Scott has a contingency plan to ensure continuous service to the customer and funder / commissioner, which includes contracting with alternative Partners (within the Partnership Network) and / or increasing its direct delivery.

The Circle of Support model provides the structure to co-opt different stakeholders to the customer's programme to ensure the service continues to be supportive and meet the specific needs of each individual.

Partners made reference to having a positive impact on customers embarking upon the journey, including increased confidence, self-worth and independence, and improvement in general health. A few customers had embarked upon specific community based projects, for example, growing potatoes, and were progressing closer to the job market with the aim of gaining sustainable employment, which would further increase their independence and improve their health and well-being.

Internal delivery staff and Partner's staff have been provided with access to a range of learning and development opportunities to improve their knowledge and skills to work with customers that are hardest to reach / furthest from the job market. Consequently, this has improved their confidence, increased their knowledge and skills and level of competency to deliver the service.

The one-team approach; direct and supply chain staff working together has contributed to developing team morale, the sharing of knowledge and information across organisations and everyone working towards a common purpose / outcome.

8. Conclusion

Kennedy Scott have met the requirements of the Merlin Standard. Currently, the key strengths are within supply chain design, collaboration, cooperation and communication, as well as contracting, business principles and honouring commitments.

At strategic and operational levels openness and trust has quickly been established, and a genuine desire to work together as 'one team' to achieve a common goal. The behaviours are positive and very supportive and communication is open and honest.

The Specialist Employability Support contract is for a period of two-years, and as a result Kennedy Scott has the opportunity to build upon its strengths identified throughout this assessment and make improvements to the management and review of its present and future supply chain/s. In order to support its journey to becoming a good / excellent Prime, Kennedy Scott might consider using the services of an approved Merlin Advisor with the aim of fast tracking the learning and developing a robust approach to all the requirements of supply chain management.

In August 2018 Kennedy Scott will be expected to be re-accredited with the Merlin Standard, if it is a Prime provider for DWP or any other funder / commissioner mandating organisations to achieve the Standard. In the meantime, in the event of any changes to the make-up of Kennedy Scott, or a substantial contract being awarded it may be deemed necessary to undertake a strategic review, or a full assessment to ensure the organisation continues to behave in line with the Principles of the Standard.

Assessment Type	INITIAL ASSESSMENT
Assessor's Decision	STANDARD MET
Lead Assessor's Name	LORNA BAINBRIDGE
Visit Date	22/08/2016 – 24/08/2016
Client ID	C10055
Assessment Reference	N/A