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1. About the Organisations

The Royal National College for the Blind (RNC) is the UK's leading specialist residential college of further education for people with a visual impairment. Since 1872, RNC have been building their expertise and successes, which enable the College to offer a variety of products and services to a diverse audience. In addition to educating approximately 120 learners who attend as residential students RNC also offer specialist training and support to businesses, universities and other education providers, and specialist professionals working with visually impaired people. From philanthropic beginnings in London to Shropshire, via a brief stay in Kent as World War II broke, before finally settling in Hereford the RNC has remained a beacon for people with a variety of visual impairments to increase their independence, build confidence and to learn academically, vocationally and socially.

The Royal National College is proud of its history of over 140 years and the pioneering work it continues to do, including sports, lobbying, work based learning and independent living skills. Partnerships with key organisations, businesses and individuals enables the student body to participate in a range of activities from Duke of Edinburgh Awards to national elite sports events. RNC is also home to community and commercial enterprises, each of which stem from and feeds back into the students' learning experience.

The Royal National College for the Blind is the prime contract holder of the Specialist Employability Support (SES) for people with a visual impairment (VI). The SES VI contract was awarded to RNC in April 2015, with a start date of September 2015. The SES programme is split, Main SES and Start Back. The Main SES programme will typically last for about six months. Many customers stay at RNC in Hereford on a residential basis while completing the training, with accommodation and subsidised food provided. The campus is fully accessible and guide dogs are welcome. Specialist vocational training courses, including the opportunity to undertake hands-on work in a real-life setting to enhance clients CV's and employability prospects. The programme is best suited for those requiring intensive support, potentially including mobility should this be a barrier to employment. SES Main Provision programme is also available in the clients' home area, depending upon their personal barriers to employment.

The Start Back programme normally lasts between a few weeks and three months and most customers will complete it in their home area with support from one of many specialist Delivery Organisations (DO's). The aim of this programme is to support customers into employment or alternative provision such as Work Choice. With an emphasis on employment skills, customers work closely with an Employment Adviser who will help them to research suitable jobs that match the customers' skills and experience, make strong job applications and succeed at interview. This may involve finding work experience placements to strengthen the customers CV and working with an employer to give them the best chance of succeeding in their job role.

It should be noted that Visual Impairment is a low incidence disability, and due to this, the contracted volumes for delivery (along with a number of other factors, explored further in Element 1) meant that RNC chose to pass much of the subcontract management arrangements to a third party, choosing to engage a Managing Supply Chain Partner. The chosen Managing Supply Chain Partner 3SC, are specialists in managing public services contracts on behalf of third

sector organisations. Using a consortium model 3SC has built a supply chain of local organisations allowing smaller third sector providers to compete for and deliver large contracts.

In the following report, 3SC will be referred to as the Managing Supply Chain Partner and the Delivery Organisations as Delivery Organisations, of which 15 delivery organisations form a consortium. The delivery model is based upon RNC (the Prime contractor) having 80% of the Main SES clients and 20% of the Start Back, and the Supply Chain, managed by 3SC (the Managing Supply Chain Partner) having 20% of the Main and 80% of Start Back. The rationale behind this was that it was felt by the Prime contractor that those on the Main programme would generally be on a longer residential programme whilst those on Start Back would be on a shorter programme and therefore be most likely to stay in their home area. RNC have been mandated by the commissioner (DWP) to undertake the Merlin Assessment as a condition of their Prime Contractor delivery status for the SES contract.

2. Assessment Methodology

Initial discussions and a meeting was held with RNC in April 2016, where the requirements of the Merlin Standard were explained and the contracts and range of Supply Chain Partners in scope for this assessment confirmed, in accordance with the agreed guidelines. Ongoing discussions finalized the sample and the timelines required for the Self-Assessment Questionnaire, Pre-Assessment Notes, and evidence gathering timetable – all of which were submitted by RNC as agreed.

The assessment team (lead assessor Rob Mottram and team assessor Stuart Morgan) interviewed a total of 5 representatives from the Managing Supply Chain Partner. Key representatives of RNC were also interviewed. All principles of the Merlin standard were fully assessed. In addition representatives of the 15 delivery organisations who deliver a range of services on behalf of RNC were also interviewed and their views noted where they replied to the 'on-line' questionnaire. The current delivery organisations are listed in the main body of the report. A number of documents were made available for the team to review, including the SES VI Contract, Contract Negotiations and Steering Group meeting minutes, RNC Sub-contract with 3SC and the Delivery Organisations Operations Manual.

3. Assessment Outcome

Overall	%
Overall Outcome	72% - Good
Supply Chain Design	80% - Good
Commitment	70% - Good
Conduct	72% - Good
Review	67% - Satisfactory

4. Areas of Significant Strength

A number of significant strengths and areas of excellence 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.

- The rapid development of an appropriate supply chain network which meets the commissioners and customers' needs. With National coverage and use of wider networks outside the formal supply chain, the design is very effective and meets multiple stakeholder needs. (1a.1, 1a.2 & 1a.3)
- Good and clear communications, which means the Managing Supply Chain Partners and Delivery Organisations are able to interact in a positive and supportive environment where information is transferred frequently and openly. (2a.4 & 2a.5)
- Robust, regular and systematic performance management approach executed by the Managing Supply Chain Partner, this approach is underpinned and enhanced by clear channels of communication and clarity of expectation. (3d.2 & 3d.3)
- Easy to use and very well liked Management Information system which is used across the Supply Chain Network and to good effect. (3d.4)
- Effective and efficient strategy and practices used in the transfer of funds and finance within the network. (2c.7)

5. Areas for Improvement

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

- Consider how to best ensure that all Delivery Organisations have sufficient opportunities to collaborate further, in particular to influence the design of systems and processes. (2a.2 & 2a.3)
- Ensure that any opportunities to fully develop Delivery Organisations (and the staff employed within them) are explored more fully, not only will this enhance staff's abilities it will contribute and engender collaboration and the sharing of best practice. (2b.1 & 2b.3)
- Whilst Supply Chain Partners feel confident to challenge and raise issues, RNC need to further reinforce that the Merlin Mediation Service is available and understood by all parties. (3c.3)
- RNC need to take a more proactive approach to the use of Equality and Diversity data (when available) within the supply chain network. (3e.3)
- Consider the value of developing a Supply Chain Partner 'charter' or similar document which can be used to agree mutually agreed principles. (3a.1)
- Follow through on the plans to carry out formal observations and site visits to monitor, promote and evaluate practices relating to information, advice & guidance. Further strengthen the approaches to data security, health and safety, environmental sustainability and safeguarding. (3b.1, 3b.3, 3b.4, 3b.5, 3b.6 & 3b.7)
- Improve the transparency and understanding of the management/service fee that are retained as part of the contract management arrangements. (2c.8)
- Ensure a greater understanding of value for money across the delivery of the SES contract. (3d.5)
- Ensure that the Supply Chain Review activities which have been undertaken are completed and developed to provide the most comprehensive information upon which to judge the impact of the services being delivered. (4a.1, 4a.2, 4a.3)

6. Areas Requiring Significant Development

There are no criterion within the requirements of the Standard where evidence presented requires significant development in order to support the organisation to achieve excellence in supply chain partnership working.

7. Findings Against the Merlin Standard

1) Supply Chain Design

1a) Supply Chain Design

The Prime contractor has a good approach to its supply chain design. Following extensive discussions by the senior managers of the Prime contractor and to meet the need to provide specialist national coverage, the Prime contractor identified that engaging a third party (3SC) as the Managing Supply Chain Partner to manage the range of Delivery Organisations' would be effective in ensuring high quality delivery could take place. In addition, it was felt that the approach would extend the Prime contractor's reach and offer flexibility in order to meet a greater diversity of customer needs, including those whose visual impairment may not be their main disability; the customer was held at the heart of the Supply Chain Design considerations. The Managing Supply Chain Partner's involvement provided the Prime contractor with National reach, the employment-focus, quality of provision delivered by their members, and a robust approach to quality assurance. Prior to selection each Delivery Organisation was required to complete a comprehensive document including a breakdown of existing provision, geographical area served, specific areas of disability expertise and examples of good practice.

"We selected to work with 3SC as it gave us the ability to be up and running really quickly, the commissioner needed assurances that the supply chain was in place and would be able to support quickly, we felt it was the best way to ensure this happened" – RNC

In selecting to engage with a Managing Supply Chain Partner in the manner that the Prime contractor have chosen to, the Prime Contractor gained access to and enabled the rapid deployment of a developed and appropriate network of Supply Chain Partners who form the delivery arm of the service. All of the Managing Supply Chain Partners Delivery Organisations are third sector and offer advice and are experienced in the delivery of guidance to customers in securing employment and self-employment, this approach addresses the holistic needs of customers and where appropriate local demographics.

"It's working for us, we know the volumes weren't going to massive, but it compliments our other delivery, it helps us meet our mission and vision" – Delivery Organisation

The combination of the Prime contractor and the Managing Supply Chain Partners supply chain allows for key national delivery sites with localized delivery complimenting the service provision. By utilizing the Delivery Organisation model, the Prime contractor are able to maximize local knowledge and ensure that customers can choose provision which is geographically convenient to them. All of the Delivery Organisations' engaged in the delivery of SES are involved in the delivery of other employment programmes and have links with employers in their local areas.

The current arrangements for the delivery of SES are reflected in 15 Delivery Organisations currently working to support customers on the SES VI contract, managed by the Managing Supply Chain Partner, these Delivery Organisation's are listed below.

Alongside the Delivery Organisations, the Managing Supply Chain Partner can access the services of the Digital Accessibility Centre (DAC) based in South Wales who can provide additional support on digital accessibility through IT.

- Action on Disability and Work UK
- Aspire
- Beacon Centre for the Blind
- Breakthrough UK Ltd
- Destiny Enterprise Solutions CIC
- ELITE Supported Employment Agency Ltd
- Groundwork
- Lancashire County Council
- Leonard Cheshire Disability
- Merthyr Tydfil Institute for the Blind
- PossAbilities CIC
- QED UK
- RNIB Scotland
- Tai Calon Community Housing
- The Rehab Group

As a result of the partnership with the Managing Supply Chain Partner, the Prime contractor has gained access to a network of organisations and services that sit outside of the formal supply chain. Their services can be used on an ad-hoc basis. These organisations have been approved by the Prime contract holder and are used for signposting purposes, as organisations that could support customers in particular circumstances. These organisations are assessed by the Managing Supply Chain Partner, and undergo a process of due diligence, this arrangement allows Delivery Organisations the opportunity to access additional specialist services in order to deliver a comprehensive, effective and holistic experience for customers. Examples of additional organisations utilized for the SES VI contract that are outside of the consortia include Statutory Referral Organisations (SRO) & Access to Work (ATW) providers. Through the localized delivery model used by the Prime contractor there is an expectation that Delivery Organisations will work with local partners, such as employers to help support customers in gaining useful and relevant work experience placements and job opportunities.

2) Commitment

2a) Collaboration, Cooperation and Communication

The procurement processes for Delivery Organisations joining the Managing Supply Chain Partner Network were found to be effective and transparent. Delivery Organisations and the Managing Supply Chain Partner commented that they found communications to be comprehensive and effective throughout the procurement process. There were links to established best practice, for example the engaging of a Managing Supply Chain Partner who has more than three hundred third sector existing providers from which the appropriately experienced and skilled organisations were used in the design of the supply chain. The communication processes included a number of presentations and collaborative meetings for all interested parties, together with emails, face-to-face discussions with existing networks and individual organisations.

"We were picked, with others of a like mind because our past performance shows that we are the most experienced in dealing with this client group." - Managing Supply Chain Partner

Following procurement, communications continued to be effective between the Managing Supply Chain Partner and the Prime Contractor. There were agreements that appointments would be based on geographic location to ensure national coverage for both of the contracts under review.

Monthly performance management meetings were held between the Managing Supply Chain Partner who cascaded the pertinent information to Delivery Organisations which provided regular opportunities to discuss issues regarding supply chain delivery and share relevant information received from the DWP. It also allowed the sharing of good practice and success stories. The forum provided a basis for discussion around topics relating to the quality of delivery and the potential development of the supply chain. A weekly informal teleconference took place between the Prime contractor, the Managing Supply Chain Partner and the Delivery Organisations. The processes meet the needs of the Prime contractor and the Managing Supply Chain Partner indicating that the Prime contractor listens to and act on what they hear through the range of feedback opportunities they have created.

"We are kept up to date and can see that our views are taken into consideration." – Managing Supply Chain Partner

Examples of formal consultation opportunities are mainly limited to those between the Prime contractor and the Managing Supply Chain Partner through regular and frequent conversations, which took place both face to face and by telephone. The consultation has impacted on Partner Meetings, Task and Finish Groups, Project Board meetings and ongoing dialogue with the Delivery Organisation staff. This consultation has impacted on many aspects of delivery, including the application of DWP changes across the supply chain and the development of various systems and processes to best meet the needs of Delivery Organisations and service users, for example the development of the CRM system and the development of mutually acceptable formats for documentation used in the delivery of the contract.

The Prime contractor is clear as to the business relationships underpinning supply chain arrangements in place; there was no evidence of any ambiguity. All Delivery Organisations operate under formal contracts and all offer end-to-end provision without subcontracting to any other partners. As relationships and practices have become more embedded at strategic and operational levels the use of feedback provided to Managing Supply Chain Partner by Delivery Organisation's that could potentially improve other Delivery Organisations performance or interaction with customers is shared through best practice meetings. The bi-monthly circulation of the SES VI newsletter to all Delivery Organisations' also contained the most recent updates to the contract and advice for all the Delivery Organisations'. Delivery Organisation feedback is also incorporated in the newsletter to allow the sharing of information that can improve the services provided to the customer. The cascade of information was considered to be highly appropriate and useful in addition to the other methods of communication highlighted earlier in this report. There are ample opportunities to ask questions on any aspect of the contract, performance and quality and this was deemed as appropriate by both the Managing Supply Chain Partner and the Delivery Organisations to illustrate the openness and honest culture of the Prime contractor.

"I've always found them to be honest and straightforward, they don't hide anything from us. I think that's the way they operate" – Delivery Organisation

2b) Developing Supply Chain Partners

The Managing Supply Chain Partner have a number of end to end providers engaged as their Delivery Organisations; all of these have significant experience as Supply Chain Partners in delivering employment focused outcomes across a range of other contracts, and as such have an established way of working having undertaken previous organisational development. In addition the Prime contractor did provide examples of working with partners in order to help build capacity and to develop strategically through the Managing Supply Chain Partner. The Prime contractor actively engages with Managing Supply Chain Partner and the network of Delivery Organisation's to develop their working practices for example, in relation to the reporting procedure and operation of the Apricot MIS.

Delivery Organisations considered that they are largely left to cover training and development needs of their staff at a local level. Where a Delivery Organisation and the Managing Supply Chain Partner are delivering specific training to its own staff other supply chain partners are invited to attend, there is an ethos of the sharing of training opportunities across the network to benefit the widest possible range of staff. The wide geographic split of these organisations, many of which are small or medium sized enterprises and from the 3rd sector has led them to becoming self sufficient in the world of organisational and staff development; the small nature of the contract delivery volumes and the long distances involved to attend other organisation's premises make attendance financially non viable. This includes the Prime contractor as a provider within the context of the contract; they offer training and guidance in specific areas however this could be extended; it is clear that not all Delivery Organisations are benefiting from sufficient learning and development opportunities.

There is limited evidence to show that additional funding streams have been brought to the attention of partners; the Prime contractor have however helped the Managing Supply Chain Partner to identify organisations which might be worthy of inclusion as Delivery Organisation's in a area which would attract additional funding for the Managing Supply Chain Partner.

Opportunities highlighted to Delivery Organisations from the Managing Supply Chain Partner include being involved in bids for additional contracts where they might be able to attract further funding.

There was no evidence of Delivery Organisation's being supported to work outside of the consortium approach of the Managing Supply Chain Partner. The training offered thus far has been without cost to the Supply Chain Partners and has been delivered either by the Managing Supply Chain Partner or the Prime contractor staff. There have been a number of support packages produced and circulated to Managing Supply Chain Partner and Delivery Organisation's and these include Operations Manuals, Apricot MIS guidelines and a Management Assurance Framework.

With a number of developments planned for closer liaison between the Prime contractor and Delivery Organisation's, opportunities exist to expand the range of staff development available to supply chain personnel, in particular covering aspects such as Data Protection, Safeguarding, Health and Safety and Diversity and Equality; these could be particularly useful areas to monitor and develop further by the Prime contractor.

2c) Contracting and Funding

From a thorough review of the processes and discussions with the Managing Supply Chain Partner and Delivery Organisations, the contracting processes were found to be effective, fair and equitable by all those interviewed and, as identified above, communications are good throughout the process.

The procurement process commenced with preparation for procurement and included research and consultation between the Prime contractor and the Managing Supply Chain Partner, including discussions and consultation with intended Delivery Organisations. Following that a detailed due diligence process enabling the Prime contractor to assess the Managing Supply Chain Partner and for them to examine the ability of potential consortia members to deliver contracts, including opportunities for Delivery Organisations to provide detailed descriptions of their delivery specialisms and innovations. The due diligence process is proportionate to the size of the Delivery Organisation and reviewed at least annually, or when there has been a significant change within the Delivery Organisation structure.

Each step of the process was clearly communicated through face-to-face meetings and email communications. Successful Delivery Organisations were informed by formal communication via email and reiterated by the Managing Supply Chain Partner. Unsuccessful organisations are also communicated with, any follow up questions raised and responded to, feedback is also provided to organisations on the quality of the submission.

Both the Managing Supply Chain Partner and the Delivery Organisations confirmed that they were aware of how the mechanisms for the contract were set and all were aware of their level of risk. Some Delivery Organisations spoke of the challenges of the contract in terms of the limited number of people with a Visual Impairment who might wish to take part in the contract offer; over the current contract period some Delivery Organisations have received as few as 2 or 3 customers. Delivery Organisations were aware the contracted volumes from the contract outset, the levels of engagement remain a challenge to all those involved.

As the Prime contract holder are working closely with the commissioner (DWP) to increase referrals. The commissioner has sought to review the referral process for the contract and has changed the processes used accordingly, a number of other measures have been implemented to improve referral rates.

All of the Supply Chain Partners considered that the funding arrangements were fair. They understood the importance of ensuring that data was accurate and the potential impact on the whole contract if there were variances. Common processes were agreed by all and were subsequently implemented.

There was no evidence to suggest that the transfer of funds/finance within the network was not working effectively, it should be noted that this aspect is managed totally by the Prime contractor. Following checks that are made on Apricot MIS. Delivery Organisations are paid directly by the Prime contractor. The Managing Supply Chain Partner are paid a flat fee on a monthly basis.

The Managing Supply Chain Partner was clear and understood the level of management fee; it is a flat rate sum mutually agreed between the Prime contractor and the Managing Supply Chain Partner. Delivery Organisations were less clear about the level of fees levied by the Managing Supply Chain Partner on their part of the contract. There was a clear need for the Prime Contractor to ensure that there was a clarification of fees and the benefits enjoyed by Delivery Organisation's throughout the supply chain. Although Delivery Organisation's were not aware of the percentage charged by the Managing Supply Chain Partner they were aware that several things were in place for which they would expect to make a financial contribution through management fees. These included the Apricot CRM systems, infrastructure for quality, compliance and finance. The Delivery Organisations were not in a position to determine whether they were getting value for money.

"We don't know what the fee is so I can't say that we get value for what we pay. All I know is that we do get things like Apricot and we always get paid on time." – Delivery Organisation

A formal contract exists for each member of the supply chain, which sets out the responsibilities of each party. The Managing Supply Chain Partner provided clear information for Delivery Organisations to ensure that the contract was delivered consistently throughout the national network of providers. There is a pro forma recording sheet on Apricot available for all stages of the client's journey.

Although SES VI contract has low profile numbers compared to other contracts managed by the Managing Supply Chain Partner, as has been previously commented, Managing Supply Chain Partner ensured that Delivery Organisations were clearly informed of the low profile numbers through various events and through the contract negotiation phase. Those Delivery Organisations who chose to continue with the selection process, and were selected to continue to the Due Diligence stage of the contracting process were clear about both the social impact of the contract and the relatively low numbers of referrals expected.

3) Conduct

3a) Demonstrating Commercial and Business Integrity

The Managing Supply Chain Partner and the Delivery Organisations confirmed that they were aware that their core values were aligned to those of The Royal National College for the Blind and commented that they shared the same principles, whilst the wording of all principles may not mirrored, their meanings and intentions are. The values did not appear to have been discussed or further explored with Delivery Organisations other than during the initial checks and via the due diligence processes that were undertaken. These due diligence processes ensured that such principles were in place and that they aligned with both the Prime organisation and the Managing Supply Chain Partner. As a consequence it may be that the Prime contractor should consider the development of a Partnership Charter should they wish to further strengthen this area.

The Managing Supply Chain Partner and Delivery Organisations were clear about their role in providing either support to customers in accessing and participating on either SES Start Back or Main programme and their responsibility in developing those customers referred with visual impairment to help them to secure employment. The interactions between the Prime contractor and the Managing Supply Chain Partner appeared to be both positive and supportive although there was the potential to improve the situation by more personal and direct face to face support with the Delivery Organisation's, this aspect is planned to improve with the increased quality assurance arrangements which are being adopted by the Prime contractor. A large majority of Delivery Organisations and the Managing Supply Chain Partner spoke of the good and productive relationships with the staff responsible for contract administration and delivery. The Managing Supply Chain Partner and Delivery Organisation's acknowledged that the Prime contractor is also a provider of services within the same contract and, therefore understood very clearly the challenges of the contract and particularly the resource implication when dealing with very small numbers of active customers.

The Prime contractor, the Managing Supply Chain Partner and all Delivery Organisation's had policies in place to deal with TUPE, however there was no evidence that any activity had taken place in relation to the contract which would require the use of the strategies.

Monthly contract performance management meetings held between the Prime contractor and the Managing Supply Chain Partner contain standing agenda items relating to feedback around regulation, legislative changes or general sector specific news. This process ensures that any changes to policy and provider guidance affecting the supply chain are communicated promptly and effectively to the Managing Supply Chain Partner for cascade to Delivery Organisations. Such updates received from the commissioner are changes are communicated by the Prime contractor to the Managing Supply Chain Partner who ensure that Delivery Organisations are made aware of the impact of this by a range of methods including e-mail, face-to-face and network meetings. Delivery Organisations and the Managing Supply Chain Partner confirmed being able to discuss the content of any correspondence to ensure that there was a common understanding of the meanings.

3b) Quality Assurance and Compliance

It was difficult to determine how the Prime contractor actually implemented effective and proportionate processes to monitor the quality of delivery. At the time of assessment there was very limited face-to-face intervention between the Prime contractor and Delivery Organisations to monitor the quality of input delivered to customers referred to the programme.

The model used by the Prime contractor in the delivery of SES is not one which supports this approach, instead the Prime contractor delegate such activity to be carried out by the Managing Supply Chain Partner. Plans however are in place to implement a more proactive approach with the Prime contractor representatives carrying out actions in regards to this.

At each SES monthly Contract Performance Management meetings the Managing Supply Chain Partner provides the Prime contractor with a SWOT Analysis and an action plan that identifies areas of improvement regarding delivery of the contract. The Prime contractor produces a Performance Improvement (PIP) in collaboration with the Managing Supply Chain Partner to reflect the work that is being completed to improve performance on the contract, this informs the commissioner of the intended corrective actions. Issues surrounding under performance that present significant risk to the contract are dealt with swiftly through regular communication with the designated contact at the Managing Supply Chain Partner.

The frequent and regular contacts between the Managing Supply Chain Partner and Delivery Organisations are used to feedback and rectify quality and compliance issues prior to submission to the Prime contractor, this ensured that all required corrections were addressed at an early stage.

It was not possible to fully determine how the Prime contractor ensures impartial, effective and timely information, advice and guidance to its supply chain partners; however, the use of the Apricot MIS provided the basis to monitor the quality of the customer experience. The Prime contractor may consider how it could use the elements of the **matrix** Standard to establish how this may improve the quantifiable access to and provision of effective information; in addition the planned approach to implement a more proactive approach to monitor the quality of input delivered to customers referred to the programme could strengthen this area. The Prime contractor provides advice and guidance to the Managing Supply Chain Partner who ensure that for example, IT training sessions have been delivered to inform the Delivery Organisation staff on how to use the IT system, best practices, guidelines, requirements and any issues they may have with regards to accessibility, ongoing telephone support is provided to assist in this area.

It was clear the Prime contractor had ensured that steps had been taken to maintain the security of data. Implementation was in line with the requirements of DWP with access to and use of encryption tools to this end. The Prime contractor ensures that its staff and those of its Delivery Organisations undertake the relevant Disclosure and Barring Service (DBS) checks. Delivery Organisations are required to escalate any safeguarding issues in line with their own procedures, whilst maintaining a clear reporting link to the Managing Supply Chain Partner where additional support and advice is always made available.

It was less clear how the Prime contractor audited the on-going protection of the data held by the supply chain members. However, it was noted that planned visits to Delivery Organisations included a check of the premises in relation to health and safety and it was planned that data security checks, environmental sustainability and safeguarding checks would be carried out at the same time.

At the Due Diligence stage of procurement, the Managing Supply Chain Partner and all Delivery Organisations were audited to ensure that policies covering Health & Safety, Data Security, Safeguarding, Environmental Sustainability and a number of other key policies were in place, all of these policies are due for review on an annual basis.

Most Delivery Organisations considered that the definition of excellent or good practice was clear across the network, and that good practice examples had been identified and made available to them, however it was acknowledged that significant sharing of best practice is difficult given the small number of customers who have been supported by the programme; the scale of the programme and the national coverage means encouraging Delivery Organisations to work collaboratively and share practice is challenging.

"Good practice is out there, we hear about it in the case studies, but we haven't got the time to attend lots of meetings to discuss it, we only support a couple of customers – its just not worth our while to get too heavily involved" – Delivery Organisation

3c) Honouring Commitments

From the outset the Prime contractor adhered to the commitments it made at the pre contracting stage of the procurement, particularly in relation to the actual terms of the contract post award. All Supply Chain Partners agreed that any changes to contracts following implementation have been clearly explained. It was confirmed by the Managing Supply Chain Partner that during the pre-contract negotiations the Prime contractor maintained open dialogue, and that the contract underwent many amendments with both parties sharing their views and required changes prior to the final contract being agreed. The Prime contractor held a meeting for all potential Delivery Organisations and outlined the key points of the contract with them.

Whilst there is a robust dispute resolution in place, few Delivery Organisations were aware of its content. Very few were aware of the Merlin Mediation Service and as such the Prime contractor need to remind all Delivery Organisations about this service. At the time of assessment there had been no formal complaints noted. The Prime contractor senior managers have stated they would fully respect decisions made as a result of the Merlin Mediation Service if it had been deemed to have not acted in accordance with the principles of the Merlin Standard.

The existence of a management fee was somewhat blurred for the Delivery Organisations in particular. It was apparent that the Managing Supply Chain Partner was paid a monthly 'service fee' for managing the delivery of the programme via the Delivery Organisation network engaged in the delivery of the SES contract. Delivery Organisations were not clear about whether or not the Managing Supply Chain Partner were charging them a 'fee' for the infrastructure services they provided such as Quality Assurance, Compliance and the CRM system to mention three such services. Delivery Organisations varied in their beliefs about the level, if any of management fee. Two comments, included'

"I don't think they deduct anything for themselves, we get the full amount." – Delivery Organisation
"Payments for delivery are very small, I anticipate that 3SC charge us about 25%." – Delivery Organisation

The disparity in perceptions was a clear indication that communication of the information required clarification.

There was evidence that illustrated how each member of the network is aware of each other's expectations. The Managing Supply Chain Partner and Delivery Organisations made it clear at the assessment that they were aware of the complaints procedure open to them and confirmed that the working relationships with SNC were good, open and honest.

They have the confidence to discuss any issue with staff including elements that could be described as challenging. There was a general belief that issues arising would be resolved in an appropriate manner and timeframe.

3d) Performance

In practice, the design of the Supply Chain network to work collaboratively is weakened for a number of reasons, in the main these reasons are related to the very small numbers of customers and the geographic split of Delivery Organisations who were spread across England, Scotland and Wales. The style of contact to manage performance was based on regular and very effective telephone contact between a representative of the Managing Supply Chain Partner and the Delivery Organisation. Delivery Organisations describe examples of the facilitation of cross referral by the Managing Supply Chain Partner contract manager, the approach of the contract manager is seen particularly positively by Delivery Organisations who commented about his telephone networking skills.

"We work a long way from anybody else delivering this contract but our contract manager at 3SC keeps us fully aware of other people's successes and challenges" – Delivery Organisation

The design of the supply chains is aimed at providing a holistic approach to the service delivery and partners are encouraged to work together to support and promote the performance of the entire network, the reasons detailed above make this difficult to happen very successfully. Where appropriate the Managing Supply Chain Partner's contract manager had developed good levels of trust across the Delivery Organisation network and was actively sharing good practice, this has fostered a culture of trust and commitment to each other.

Performance expectations were established prior to commencement of contract and are monitored through regular Contract Performance Management meetings between the Prime contractor and the Managing Supply Chain Partner. The Operations Manual sets out expectations of Delivery Organisations in relation to contract requirements, processes and the customer journey. The contracting process is inclusive, fair and transparent. Contracts and supporting documentation are clearly defined and well communicated. The Managing Supply Chain Partner and Delivery Organisations involved with the delivery of the SES contract shared openly the challenges of the contract, in particular the lower than anticipated referral levels achieved, however all were complimentary about the actions taken by the Prime contractor to help overcome the situation. The Prime contractor is working closely with their DWP Performance

Manager and to a Performance Improvement Plan with the outcome aim of increasing referrals and meeting profile targets in line with the contract requirements.

Robust Management Information systems are in place to capture and accurately report on performance. The Apricot Management Information system allows for collection of information in relation to the customer journey, ensuring contract minimum requirements are met. It also analyses the performance of each Delivery Organisation. The Management Information system is used to good effect to ensure that the strategy to manage the successful transfer of funds within the network is particularly effective. Reports are used consistently well and are reviewed and shared to encourage improved performance outcomes. There are clear and defined MI communication processes between the Prime contractor and the Managing Supply Chain Partner, and between the Managing Supply Chain Partner and Delivery Organisations.

As the Managing Supply Chain Partner, performance is monitored daily and reports this to the Prime contractor on a weekly basis, providing information relating to progress with live referrals and customer journey. The small customer numbers allow for a detailed caseload review process to take place.

At monthly Contract Performance Management meetings the Managing Supply Chain Partner produce SWOT based documents that identify areas of improvement in relation to delivery.

The Managing Supply Chain Partner provides on behalf of the Prime contractor a robust contract management approach of Delivery Organisations that ensure value for money both for the Prime contractor and for the commissioner. One of the bi-products of contract management is that of being able to deliver a cost effective (value for money) and reliable service to a high standard. The Managing Supply Chain Partner ensure that once a successful Delivery Organisation has been confirmed, pro-active contract management practices ensure the following aspects:

- Service delivery is compliant with agreed contract conditions and standards
- *Value for money is ensured through performance monitoring of the Delivery Organisation against contract requirements including quality standards*
- *Potential service difficulties are identified early and alternative strategies are devised*
- Costs are monitored and kept within budget constraints
- Service improvement opportunities are identified
- *Both parties' business requirements are met and all necessary service changes are managed and controlled*

Value improvement through lower costs may come about through contractual mechanisms, such as benchmarking against market prices, or through negotiation with the Delivery Organisation. The Managing Supply Chain Partner assurance processes give assurance to the Prime contractor, the Managing Supply Chain Partner board, and Commissioners that services offer value for money.

The SES contract has clear milestones which built into the programme itself, these are measured by Delivery Organisation assessments which they carry out with customers and validated by the Managing Supply Chain Partner management and assurance processes as documented in the Operations Manual. The Apricot MIS allows for the collection of information in relation to customer journey ensuring contract minimum requirements are met including distance travelled

which is measured by each Delivery Organisation with each of their customer's by using an inclusive process referred to as 'The Outcomes Wheel'. The Managing Supply Chain Partner provide a weekly update report to the Prime contractor which includes information relating to progress with live referrals and the customer journey, including outcomes.

3e) Promoting Diversity and Equality

There is a clear commitment to Diversity and Equality. The Prime contractor is currently listed 6th in the 'National Centre for Diversity' Top 100 Index. The SES programme delivered is specifically designed to support customers with Visual Impairment. Inclusion runs throughout the process, from procurement to contract management. The Prime contractor and its Supply Chain Partners are clearly committed to Diversity and Equality in relation to customers, clients and staff, with the Managing Supply Chain Partner and Delivery Organisations confirming that all partners are required to provide evidence of their Equality and Diversity policies and procedures during the due diligence process to ensure that processes are in place and in alignment with the Prime contractor's own commitment to this area. During the first few months of the contract delivery a Quality Assurance visit was undertaken by the Prime contractor's lead Quality Officer who on using the Apricot IMS quality checked Delivery Organisations to ensure active engagement with equality and diversity procedures. Delivery Organisations were aware of the requirement to work with all customers and ensure that the nine protected characteristics are observed.

"It's implicit in our delivery that we have a good grasp of diversity and equality, we are referred the customers but that doesn't mean that we don't review what we do to ensure we are meeting their needs, 3SC expect that of us" – Delivery Organisation

The Managing Supply Chain Partner and Delivery Organisations confirmed that they actively promote diversity and equality, providing appropriate learning and development interventions for customers where necessary. Consideration should be made to sharing the findings of equality and diversity information with other supply chain members and in particular the referral organisations to further promote and embed diversity and equality, to ensure an equality of opportunity for all customers. This information could be used to ensure that if any customer cohorts were not being fully represented in referrals this could be rectified before allocations were made to Delivery Organisations who have no input into the customers they receive.

All Delivery Organisations are required to capture diversity and equality data, much of the data is provided on the referral documentation that is provided to the Prime contractor by the referring agency, this is submitted via the Apricot MIS for use by the Managing Supply Chain Partner and the Prime contractor. There was little evidence to show how the data is being used by the Prime contractor to influence the referral process and how it is being shared with Delivery Organisations, however there are targets in place in identified areas of improvement for Delivery Organisations and appropriate plans are discussed and agreed at reviews. However, given the small customer numbers to date, meaningful analysis of the data is difficult to carry out and establish relevant findings, as such the Prime contractor need to take a more proactive approach to the use of Equality and Diversity data (when it becomes available) within the supply chain network.

4. Review

4a) Supply Chain Review

It should be noted that at the time of assessment the SES contract had been delivered for just 12 months under managed arrangements by the Prime contractor, this impacts on the ability for the Prime contractor to have carried out significant or extensive review activities, and as such this element was deemed satisfactory at the assessment. The Managing Supply Chain Partners gather feedback from the Delivery Organisation's on a continual basis and use a range of methods, for example monthly quality and compliance checks, self-assessment activities and external audit feedback. Following any stakeholder events, feedback is gathered to establish what Delivery Organisations felt went well, and what elements could be improved. Any complaints are monitored and reviewed by senior management. Customers are required to complete an evaluation questionnaire on completion of their programme, currently this is available on-line but it is recognized that the offer will also be made in paper format to overcome accessibility challenges. As the prime contract holder for the SES and other government funded contracts the Prime contractor is subject to external scrutiny, for example by Ofsted and the Education Funding Agency.

The Prime contractor has a Quality Manual which is shared with the Managing Supply Chain Partner, this details the processes for annual self-assessment activities and the requirement of any quality improvement plans. These requirements follow the commissioners (DWP) well established format. In addition, the Managing Supply Chain Partner has its own process for generating a meaningful self-assessment report using information provided by the Delivery Organisations; The Managing Supply Chain Partner framework focuses on the contractual requirements being met and the quality of service frontline delivery staff members provide to customers engaged on the SES programme. Due Diligence processes are used to establish whether Delivery Organisations have the appropriate process in place to effectively assess and improve provision.

The Managing Supply Chain Partner is kept informed of wider policy and strategic information through bulletin updates, this is achieved using a number of different methods including the Prime contractor led monthly Contract Performance Management meetings with the Managing Supply Chain Partner featuring an agenda item relating to feedback from DWP. The Managing Supply Chain Partner are responsible for managing the cascading of information to Delivery Organisations. A range of established communication methods such as network meetings, email, and one-to-one discussions are used to share this information.

Delivery Organisations, the Managing Supply Chain Partner and the Prime contractor all had a very clear understanding of how their work impacts positively on the wider objectives of the commissioners, including how they make customers more employable and increase their personal independence. Whilst the number of customers accessing the SES contract is small, the impact on these individuals is significant. Due Diligence process and during annual reviews Delivery Organisations are required to evidence social impact as part of their 'Corporate Social Responsibility' assessment. Delivery Organisations commented on discussions held at network events where a Social Impact measure model had been discussed. The Prime contractor gather case studies from its Managing Supply Chain Partner and share them both with stakeholders and

to Delivery Organisations within the network to evidence the positive impact the programme is having on customers.

"We have done something on social impact, we know how we are making a difference, we discussed how you measure this, its not an easy area but we are starting to get our head round it" – Delivery Organisation

As the contract delivery for SES is still in its infancy, the Prime contractor are yet to carry out any significant evolution of the network to meet the changing needs of customers and commissioners. Delivery Organisations valued the information event for Delivery Organisations which included workshops and information sharing events held by the Prime contractor in the early stages of the contract which helped raise awareness of assistive technology, IT, braille and different eye conditions. The Prime contractor however, have worked extensively with the commissioner (DWP) to review the appropriateness of the programme with a view to increasing referrals and meeting profile target, this has resulted in a widening of the customer profile, to improve referral rates and therefore participation. Area's such as Prevent and Safeguarding training for staff has been updated and enhanced to ensure that the staff working on the delivery of SES contracts are suitably knowledgeable.

Supply Chain Partners confirmed, particularly those involved in the delivery of National Citizens Service contracts confirmed that their programme was having a positive impact on the customers it supports, customers are becoming more independent, for example learning how to travel independently and develop employability skills following periods of volunteer work. As previously commented in this report, successes are shared within the network through the use of case studies. the Prime contractor confirmed during the assessment that the selection of a Managing Supply Chain Partner as the Managing Supply Chain Partner was its commitment to utilizing third sector Delivery Organisations and a sharing of values.

8. Conclusion

This assessment provided the opportunity to review RNC's approach to Supply Chain Management for the current contract (SES) it delivers on behalf of the commissioner (DWP) against the Merlin Standard. RNC have committed to an innovative approach to Supply Chain Management by engaging a third party to carry out much of the management of the Delivery Organisations that it works with; in is worthy of note that the assessment team felt it was a significant challenge to excel in all aspects of the Merlin Standard given the small numbers of customers supported and the national coverage geographic, to gain the required commitment from Delivery Organisations who may only receive 2 or 3 customers per year to support RNC in achieving the Merlin Standard is acknowledged. RNC continue to be committed to the development of its approach to Supply Chain Management and continue to develop their approaches alongside their Managing Supply Chain Partner.

Assessment Type	INITIAL
Assessor's Decision	STANDARD MET
Lead Assessor's Name	ROBERT MOTTRAM
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