



**merlin**

promoting supply chain excellence

## CUMBRIA CHAMBER OF COMMERCE

Assessment Dates: 09/10/2017 to 10/10/2017

**ASSESSMENT SERVICES**  
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## 1. About the Organisation

Cumbria Chamber of Commerce (referred to as CCC throughout the report) is a non-for profit / social enterprise. It aims to *"be an innovative, committed and financially strong business organisation for Cumbria, seeking opportunities to support and represent organisations of any size or sector, and do this by rolling up their sleeves and making it happen."*

The organisation delivers a range of services to support businesses and the community, which include, Business Start-Up Service (BSUS) and Cumbria Business Growth Hub (Growth Hub), which are funded through the European Development Regional Fund (EDRF) and CCC. CCC were successfully re-awarded the BSUS and Growth Hub contracts in 2016.

In addition, CCC has successfully delivered the New Enterprise Allowance (NEA) contract for many years, and were re-awarded the contract by the Department for Works and Pensions (DWP), which started on 3<sup>rd</sup> April 2017. The NEA aims to provide the unemployed with an opportunity to start their own business, move into being self-employed, and subsequently, contribute to the local economy.

The organisation has opted to deliver the three contracts; NEA, BSUS and Growth Hub, through a combination of internal delivery and a supply chain. Currently, 10% of the NEA contract is provided through an internal delivery model, which utilises Advisors who are self-employed. The balance, 90% continues to be delivered through a supply chain of four Partners, providing an end-to-end service, and also, utilise Advisors to deliver the service. These four Partners and CCC were the original Partners for the 2015 contract, and formed a consortium to bid for, and deliver the service in their own respective areas, and have once again opted to work together with CCC being the nominated Prime for the current contract.

The BSUS and Growth Hub had a total of seven Partners in 2015, however, at the time of the review CCC were only working with one Partner on these contracts. CCC also use Advisors to deliver these services as part of its own internal delivery, and once again these are self-employed.

## 2. Assessment Methodology

CCC was mandated to undertake an initial assessment against the Merlin Standard prior to 31<sup>st</sup> October 2015 as a result of being awarded the NEA contract by DWP. Subsequently, due to the new contract for April 2017 CCC were mandated to undertake the re-accreditation review against the Standard. The purpose being to retain the accreditation against the Standard, which demonstrates effective supply chain management, identifies areas of strength and those to consider for further improvement.

Whilst the only contract mandated for Merlin accreditation was NEA, in line with the guidelines established by DWP, due to a supply chain being used to deliver the BSUS and Growth Hub these contracts were included in the scope of the review.

The assessment team comprised of Lorna Bainbridge (Lead Assessor) and one team Assessor: Christine James, supported by a coordinator from within CCC. The Lead Assessor and coordinator started planning the assessment in July 2017; the logistics of the re-accreditation review and the on-site dates were agreed, subject to payment of the associated costs.

The Lead Assessor was in contact with the coordinator prior to the on-site to review the scope, schedule, and logistics. The Self-Assessment Questionnaire (SAQ) and Pre-Assessment Notes (PAN) were submitted in line with the guidelines and the interview schedules prepared for the on-site activity.

The Lead and team Assessor spent 1.5 days on-site reviewing documentary evidence and undertaking interviews with 100% of end-to-end Partners delivering the NEA, BSUS and the Growth Hub contracts. A total of 21% of the Advisors were interviewed, including a previously unsuccessful Advisor, and once again these covered the three contracts.

Interviews included CCC's staff involved in the strategic and day-to-day management of the supply chains to enable the assessment team to gain a full understanding of the delivery models, including the systems and processes implemented.

Following the interviews verbal feedback was provided to the coordinator of the assessment and the contract manager, this indicated the outcome of the assessment, areas of strength and those to consider for further improvement against the principles of the Merlin Standard.

The following report provides an indication of evidence collected against the principles of the Merlin Standard. Reference is made to Partners; organisations that CCC have entered a formal contractual arrangement with to deliver the services across the three contracts and Advisors who are those sub-contracted by CCC to deliver a specific service; advice and / or training.

### 3. Assessment Outcome

Overall	%
Overall Outcome	80% Good
Supply Chain Design	100% Excellent
Commitment	87% Excellent
Conduct	75% Good
Review	57% 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.

- In preparation for the bidding of the current NEA contract, the design of the delivery model and make-up of the supply chain was fully evaluated in consultation with the four Partners. The purpose was to ensure the supply chain continued to be fit for purpose and meet the needs of the customers, and those of the commissioner. Partners are actively encouraged to build relationships with wider networks outside of the supply chain in order to deliver comprehensive services to customers. (1a.1, 1a.2, 1a.3, 4a.5)
- Partners, and specifically Advisors felt well supported in the development of their organisation through a broad range of activities and they confirmed that they were encouraged to build their capacity to deliver comprehensive services. Similarly, opportunities to obtain additional funding / finance streams are promoted across the supply chain to ensure Advisors are not reliant on one source of income and enable Partners to deliver complementary services. (2b.1, 2b.2)
- The approach to procurement has improved over the past two years with an open and transparent process adopted by which Advisors are selected. Unsuccessful Advisors are made aware of the scores achieved for each aspect of the Expression of Interest (EOI) and feedback is provided on the areas to consider for further improvement in the event of bidding in the future. (2c.1)
- Partners clearly understood what was expected of them as a result of the communications that took place prior to CCC submitting the bid, and subsequently throughout contract negotiations. The contract was discussed and agreed with each Partner and formally documented. Similarly, through communications and written documentation the Advisors clearly understand what is expected. (2c.3, 3c.4, 3d.3)
- The Partners clearly understand the rationale for the allocation of market share. The Advisors are aware of how work is allocated, which is based upon the scores of the EOI, this in turn is translated into a ranking. (2c.4)
- Partners and Advisors were confident that their requirements were taken into consideration pre and post contract award, and subsequently understood the payment process and structure. (2c.6)

## 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.

- Partners believe that communications from CCC are generally open and transparent, clear and easy to understand, however there are occasions whereby email is used as opposed to verbal dialogue, which occasionally is, or could be misinterpreted. In the future, consideration could be made to using more verbal conversation to explain key messages, and where email is used, ensuring the information is easy to understand, for example, consider interpreting messages from DWP. (2a.1, 2a.4, 2a.5, 3a.3, 3a.4, 4a.3)
- Partners and Advisors confirmed that a range of development activities are made available, however, this tends to be identified by CCC. In the future, consideration could be made to undertaking a training needs analysis with Partners and Advisors to identify future support, for example, SFEDI and / or information, advice and guidance (IAG) qualifications, **matrix** accreditation for sole traders, etc. This may also contribute to quality assuring the IAG being provided by delivery staff and Advisors. (2b.3, 3b.3)
- Partners are aware of a management fee, which has been increased significantly for the current contract, however, there was some uncertainty of what they gained for the fee, and currently fail to believe they gain value for money as the CRM is not fully commissioned. Once the CRM is in use this aspect should be addressed, however, consideration could be made to ensuring all Partners fully understand the extent of the support and services gained in return for the management fee. (2c.8)
- The practices to assure the quality of delivery and compliance have evolved over the past two years, and currently there is a mature approach to ensuring Partners (and Advisors) are meeting the requirements. Whilst due diligence and the annual collection of policies and procedures provides a level of assurance, consideration could be made to additional activities being undertaken when CCC staff visit the delivery sites, for example observation of practice, 'ears and eyes' approach for data security and health and safety, etc. (3b.1, 3b.2, 3b.3, 3b.4, 3b.5)
- Partners were aware of the formal dispute resolution process, they were confident to raise issues and challenge, and felt if necessary they would raise a complaint and believe that there would be no repercussions. Similarly, Advisors were confident to discuss issues and to date felt their concerns had been addressed without the need for a formal approach. However, this group of people (Advisors) were not aware of the dispute resolution process, and as a result, consideration could be made to raising their awareness of this process, as well as the Merlin Mediation Service, to enable the formal escalation of issues in the future, if required. (3c.2, 3c.3)

- CCC have adopted a holistic approach to performance management, and formally reviews the performance of the entire supply chain on a quarterly basis. More recently an annual performance review has been introduced, whereby each Partner has the opportunity to meet and review performance on a one-to-one basis. It is recognised that currently this is in its infancy, however, consideration could be made to the frequency of these interactions to establish whether they meet the requirements / expectations of the Partners. (3d.2)
- Currently, Partners maintain manual records to record progress of customers due to the CRM not being in use. Once this is rectified CCC are encouraged to work with Partners to input the data and use the information for a range of functions, for example, tracking customer progress, analysing diversity and equality, etc. (3d.6, 3e.2, 3e.3)
- CCC gain feedback from different stakeholders, which subsequently improves the delivery of the service. Partners and Advisors gain feedback from customers through evaluation activities and a customer satisfaction survey. However, currently, the information gained by Partners and Advisors is reviewed at individual level. In the future, consideration could be made to reviewing the feedback gained across the supply chain, which may contribute to sharing good practice and improving the delivery of the service. (4a.1)

## 6. Areas Requiring Significant Development

Although the Merlin Standard overall has been achieved with a 'good' 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.

- Partner's policies relating to environmental sustainability were collected as part of due diligence, and reviewed by CCC to ensure that they aligned to their own. Partners collect data relating to their contribution to the environment, for example, reducing carbon footprint, however, this is not currently monitored. In the future, consideration could be made to discussing and agreeing environmental sustainability targets for the supply chain, which are subsequently monitored and become embedded throughout the life of the contract. (3b.7, 4a.6)
- CCC formally review the position of the business on an annual basis, including each contract, which results in areas for continuous improvement being identified. Partners made reference to undertaking an annual Self-Assessment Review (SAR) which informs their own Quality Improvement Plan (QIP), however, they were uncertain how they contributed to the annual CCC review. In the future, consideration could be made to undertaking a formal SAR which is resultant in a QIP on an annual basis in conjunction with Partners delivering the NEA contract. (4a.2)

## 7. Findings Against the Merlin Standard

### 1) Supply Chain Design

#### 1a) Supply Chain Design

In 2015, the CCC entered into a consortium to bid for the NEA contract, and was nominated to lead the process. The DWP re-tendered the contract in 2016 in preparation for April 2017. The consortium had successfully delivered the contract for the previous period and as a result opted to review the commissioner's objectives and contractual requirements together. CCC and one Partner attended a presentation hosted by DWP to assess the contract and what this meant in practice, and to gain an understanding of the commissioner's objectives and the contractual requirements as some changes were to be made. Subsequently, members of the consortium met to review the offer and the viability of the new contract.

Whilst there were some changes to the NEA contract for 2017 onwards it fundamentally continued to be a means of moving people from unemployment into self-employment or employment, which ultimately contributes to developing a sustainable economy for the regions; Cumbria, Lancashire and Merseyside. This continued to fit with the overarching strategy of the organisations previously involved in the delivery of the service. The consortium gained a full understanding of the purpose and objectives of the new contract and also took into consideration the delivery model which had previously been adopted and found to be successful. Due to some interest being shown by other organisations the consortium considered the possibility of introducing new Partners to the supply chain. However, this was not deemed viable for either the potential Partners or the current members of the consortium, due to a range of reasons, including a consensus that there had been no gaps in the current provision.

Following extensive discussion, the consortium opted to bid for the NEA contract once again having gained a clear understanding for the expectations, including the financial package. CCC, once again took the lead in the bidding process, being known as the Prime and contract holder with the DWP, and the four organisations assumed the role of Partner.

80% (four of the five Partners) of the consortium is a social enterprise, including CCC and as a result have a similar vision, mission and set of core values, which is primarily to be 'innovative, committed and financially strong business for the region, seeking opportunities to support and represent organisations of any size or sector, and to provide a gateway to change people's lives to become economically active'. The fifth Partner is a private organisation that has been in the area for many years; the NEA contract contributes to its vision and mission and complements a range of other services provided to customers in the local community.

A change to the contract for 2017 was the removal of the target of using at least 50% volunteer mentors to deliver the service. As a result, as in previous years, each Partner took responsibility for sourcing their Advisors to deliver the service in their specific region. CCC decided to open up a competitive tendering process with the aim of attracting additional individuals and / or organisations to join the supply chain and provide specific services; general or specialist. When recruiting the Advisors consideration was to be made to previous experience when working with the customer group and their performance.

Advisors / organisations were invited from the different sectors; public and private, however, a high proportion are from the private sector, training and consultancy, due to the nature of the service required. Other Partners adopted a similar approach and resulted in gaining Advisors from private training and consultancy firms, as well as universities, and subsequently felt that there was a good balance of general skills and knowledge and areas of specialism, for example, marketing, social media, financial planning, etc.

The use of Advisors with a range of knowledge and skills, and in some cases very specialist is viewed as adding a good mix to the supply chain. In addition, possibly more importantly the in-depth knowledge of the region and the wider networks in which they operate. Advisors spoke of these wider networks which provided them with information relating to employer's needs and expectations, as well as an awareness of the market whereby a sole trader / self-employed individual could position their business proposition. Advisors are also aware of local organisations and agencies to signpost customers to overcome specific barriers and / or access specialist services to aid them set-up their business.

Each Partner works closely with their Local Enterprise Partnership (LEP), Local Authority (LA), business networking organisations, universities, employers, etc. CCC spoke about an extensive number of organisations / agencies that are accessible in the local area to deliver a range of comprehensive services to customers. Some of these included: Business Support Coordination Group, the Northern Powerhouse Growth Hub group, Cumbria Manufacturing Service (The Growth Company), Northern Powerhouse Investment Fund, to mention a few.

## 2) Commitment

### 2a) Collaboration, Cooperation and Communication

Partners described the meetings / discussions prior to submitting the tender to gain an understanding of the commissioner's objectives and to establish whether the consortium was to continue working together. Other communication processes included; pre-contract negotiations, one-to-one discussions, quarterly Partner meetings and more recently a formal annual performance review has been introduced. Partners also made reference to a range of emails relaying key messages.

Advisors made reference to the notification of the procurement activity for the NEA contract and the communications throughout the process, which were supportive. Advisors confirmed that the EOI was accessible through an on-line portal, and the process appeared to be robust, but straightforward. The offer included all the information, which clearly indicated requirements and expectations of working with CCC. This approach provided all Advisors with access to the same information, which ensured the process was fair. Advisors then went on to explain the daily communications with the contract manager and 'back office' staff, as well as the Advisor networking meetings, which are all of equal value.

Partners recollected that whilst discussing the concept of the consortium everyone was actively engaged; sharing ideas, opinions and experiences which subsequently resulted in all parties entering into the partnership, and CCC taking the lead. Similar discussions took place throughout the recent bidding activity, and as a result the consensus was to continue as per the previous arrangement. The quarterly Partner meetings provide a platform for further consultation which has influenced improvements to the systems and processes, for example, development of templates for presentations to ensure a consistent delivery across the supply chain, review of the application process, known as Sift, etc.

CCC encourage collaborative working across the NEA supply chain, and over the past two-years Partners have increased their level of trust and confidence in others, and as a result openly share best practice, what works well and areas for improvement. A number of Advisors work across the contracts and they are actively encouraged to work collaboratively with others, there was evidence of some Advisors signposting customers back to the CCC to gain specific support from an Advisor with an area of expertise, for example, marketing. One Advisor with a background in Special Education Needs (SEN) spoke about working with another to support a customer with additional learning needs.

Partners and Advisors were aware of the key contact; the contract manager for the day-to-day support and management, and confirmed that the communication channels are clear and there is no ambiguity regarding the business relationship. They also confirmed that they have trust and confidence in the contract manager who is open and transparent in the communications and very supportive. Partners made reference to the Memorandum of Understanding (MOU); this is an agreement between Partners outlining the working relationships and the importance of collaborative working, which underpins the way the supply chain operates.

Whilst a high proportion of Partners and Advisors believe that communication is open, transparent and without unreasonable constraint there was some concern over the use of emails as opposed to verbal dialogue, which CCC may consider addressing in the near future. This will ensure communications are two-way and the message/s are clearly articulated in an appropriate manner. Some Partner and Advisor comments included:

*"The communications are good especially with the back office."*

*"It was refreshing that they made decisions really quickly 'really decisive'."*

*"Communication is always open and accessible – we can ask anything – previously it might have been 'you had an email about that' but now it's much more supportive and trusting."*

## 2b) Developing Supply Chain Partners

The Partners within the supply chain are well established businesses and have the infrastructure to ensure the organisation is fit for purpose and meeting all the governance, legislative and regulatory requirements. However, there was evidence of CCC working with the Partners and providing support and guidance to address any changes, for example, DWP required all Partners to have a security plan, and as a result CCC shared their copy to give an indication of what was expected. Recently the requirements to ensure compliance against the General Data Protection Regulation (GDPR) have been communicated, and support is starting to be provided to ensure Partners are ready for the change. In addition, support is provided to ensure the resources are available to deliver the service and consequently CCC (in consultation with Partners) has designed templates for presentations and a range of documentation including 'an ideal' business plan and checklists. Some Partners also spoke about the support provided to ensure understanding of the MI and how to use it effectively to drive performance.

Advisors made reference to the induction at the start of contracting with CCC to review the requirements of the role and documentation to be completed. In addition, access is provided to a range of Chamber of Commerce activities, as well as the Advisor networking meeting, which supports them in the development of their business. Examples included presentations relating to financial planning, intellectual property, marketing, etc. and guest speakers explaining funding opportunities. Some Advisors also made reference to being provided with access to Cobweb / COBRA; briefing documents / resources which provide information on a range of business needs, for example, insurances.

Partners explained that they receive notification of national, regional and local funding opportunities in their own right, and also CCC advise them of any additional funding / finance streams. Advisors confirmed that additional opportunities to work with CCC are promoted via email or verbally, for example, the opportunity to work as a provider for the NEA contract. Similarly, they are advised of grants available within their area and gain support with the application process, if required. A number of Advisors recollected recent presentations from Northern Powerhouse Investment Fund regarding an Investment Funding and the University of Cumbria Innovation Project. Two Advisors explained that they had gained support from another Advisor to improve their bid writing skills to support them in submitting tenders in the future.

Delivery staff and Advisors have access to training to gain an understanding of the customer journey and the relevant documentation, which is available on an ongoing basis. Day-to-day support is provided by the contract manager and back office staff to deal with issues and challenges with customers, systems and processes. The Advisors were very complimentary regarding the learning and development opportunities provided by CCC. Partner's delivery staff tend to gain the learning and development via their own internal resources, due to being well established organisations with the resources available. In the future, a training needs analysis may prove to be beneficial to identify additional knowledge and skills required for this group of people.

## 2c) Contracting and Funding

Partners spoke of the range of activities that took place whilst the consortium was set-up, and throughout the procurement stage, and confirmed that communication was inclusive and informative, and the process fair and transparent. They also referred to a robust approach to due diligence and a review of the policies and procedures for data and asset security, health and safety, safeguarding and environmental sustainability to ensure they were aligned to those of CCC and addressed the needs of the commissioner.

Upon gaining the NEA contract further communications took place with the Partners to mobilise the contract and meet the requirements of the commissioner within the timescale outlined. Subsequently, communication processes are in place to support the delivery of the service, which includes meetings and informal discussions with the contract manager and back office staff, as well as the quarterly Partner meeting.

Advisors made reference to the EOI process been straight-forward; providing clear information regarding the offer, roles and responsibilities and expectations. The scoring mechanism for the EOI was indicated and outlined the information required to enable Advisors to submit a competitive tender. Advisors spoke of the support available throughout the process if required and the communications that kept them informed of the timescales. They confirmed that communication was effective and the approach to procurement was fair and transparent. Unsuccessful Advisors confirmed that they were advised of the outcome and the score gained for each section, which indicated areas for improvement in preparation for submitting EOIs in the future.

Successful Advisors made reference of being advised of the outcome, including the ranking gained, and explained the next stage of the process, which included providing appropriate information, for example, insurances and references, and the need to submit key policies, for example, data security, health and safety, etc. Advisors explained that the information regarding the funding / payment arrangements was outlined within the offer, and subsequently reviewed with CCC prior to signing the written contract. One Advisor commented:

*"If I put my selfish hat on then I'd like to be paid more but if I put my unselfish hat on then it's a fair price and its not like we have to go out and find the work."*

Partners were aware of the NEA contract value and the payment arrangements, which was cascaded from the DWP contract. Partners were consulted regarding the funding arrangements and agreed that 75% would be paid at the point of evidence of engagement and 25% at the end of the twelve-hours of delivery. Three of the four Partners confirmed that these were fair and proportionate, based on the contract from DWP. One Partner expressed concern regarding the payment structure, but agreed to remain in the consortium as it complements other services provided.

Partners and Advisors confirmed that they have contracts in place, which are clear and outline the obligations and expectations. Partners explained that they are contracted for a number of starts, conversions, business plans, 26week survival and customers attending workshops. Advisors spoke of been contracted to deliver 12hours support whereby the customer experiences a positive journey and gains a business plan, and the business continues to survive. Advisors are also issued with an 'Advisor Handbook', which outlined the working arrangements and what CCC expect when working in partnership.

The market share is based on the location / region of the Partner, and in the event of two Partners operating in the same area they were encouraged to discuss and mutually agree the number of job centres to be allocated to gain referrals. Consequently, all Partners are aware of the market share and the rationale. Advisors clearly understood that the work was allocated based on their overall ranking and there was no guarantee of work or pressure to accept the offer of work.

The Partners confirmed that negotiations took place regarding volumes and performance expectations, whilst the funding / finance was replicated from the DWP model. Once again three of the four Partners believe their requirements were managed effectively throughout the process. Similarly, Advisors understood the funding / finance arrangements and performance expectations from the initial offer, which was confirmed throughout contracting and induction. They also understood, as indicated above that there were no guaranteed volumes as work is allocated based on their ranking.

Partners described the claims and invoicing process, which was straight-forward. Historically, some payments were paid late, however, Partners felt that improvements had been made and as a result, timely payments had been made over the past six-months. The Advisors understood the invoicing process and the need to provide supporting information and evidence, and subsequently confirmed that payments are made within the terms and conditions of the contract, and on occasions sooner than anticipated.

The previous NEA contract incurred a 5% management fee, however, this was deemed as not viable for the contract starting in April 2017. The management fee of 15% was indicated at the bidding stage, and subsequently agreed by Partners. The fee includes a range of support and access to systems and processes, including PRaP, MI, templates, documentation, etc. which was cited by some Partners. Whilst a number of Partners were aware of the management fee and some of the services gained there were uncertainties. In addition, due to no CRM in place there was some disgruntlement amongst Partners and a feeling that they were not gaining value for money. One Partner comment:

*"The fee is what it is and although it didn't represent good value for money in the early days its better now that we get regular MI."*

### 3) Conduct

#### 3a) Demonstrating Commercial and Business Integrity

Partners made reference to the British Chambers of Commerce operating principles, which are adopted by each independent Chamber (80% of the supply chain), as well as the Memorandum of Understanding (MOU), which was shared throughout the early stages of the relationship. The private Partner recollected discussions during the initial consortium meetings, which provided an indication of the way the supply chain would operate. Partners believe the principles are embedded, however, throughout the life of the contract very little discussion has taken place to review and / or re-evaluate whether these continue to be appropriate, consequently this may be a future topic of conversation throughout Partner meetings.

Advisors continue to be aware of and understand the purpose of the CCC and the core values, and believe these are the basis for building a good relationship. However, once again very little conversation takes place to reflect upon behaviours and whether these are aligned to those of CCC.

A strategy to manage TUPE has been developed, however, there has been no requirement to implement the strategy for any of the contracts held by CCC. As a result, the strategy was not assessed and tested throughout this review. However, confirmation was provided that the TUPE strategy would be mobilised and legal support gained, if required in the future.

A high proportion of Partners confirmed that their interactions with CCC staff are good, especially with those responsible for the day-to-day management and support of the supply chain. It was stated that these individuals are positive and supportive. As previously stated there was some concern over the use of emails (and the tone) and as a result CCC are encouraged to have verbal dialogue as opposed to email to ensure some key messages are not misinterpreted.

Advisors explained that there was regular interaction with those managing the contracts on a day-to-day basis, and these were consistently positive and supportive. They stated that some individuals (contract manager in particular) was readily available and accessible, and subsequently very responsive to their needs and patient. Similarly, Advisors spoke of a good relationship with back office with people being responsive and taking the time to explain systems and processes. One Advisor commented: *"It's a good relationship and I'd do a lot more with them if the opportunity came up."*

Partners submit the policies and procedures throughout due diligence to demonstrate that they meet regulatory and legislative requirements, including but not limited to health and safety, data protection, etc. CCC communicate any changes and updates to regulatory and legislative requirements through emails, which are subsequently checked for understanding and implementation at the next quarterly Partner meeting. Similarly, any changes in contractual requirements are typically communicated via email and subsequently reviewed throughout the Partner meeting.

Advisors are aware of the minimum requirements to ensure health, safety and well-being of customers and themselves, and any appropriate updates relevant to their role are communicated via email and reviewed throughout the network meetings.



### 3b) Quality Assurance and Compliance

The customer experience is measured and evaluated through the workshop evaluation forms and surveys undertaken, which gauge overall satisfaction levels. As a result of this feedback Partners made reference to improvements made for example, templates for presentations and documentation. Similarly, Advisors spoke of responding to feedback and making workshops far more participative and changing the timing of some activities.

CCC have implemented a range of processes, policies and activities to address the compliance requirements required by DWP for the NEA contract. Consequently, documentation is audited to ensure accuracy, including all information, dates and signatures on the advisory sheets, action plans, etc. At the start of the contract 100% of business plans were audited / quality assured, which has subsequently been reduced to 10%. Following audits / quality assurance activities feedback was provided to relevant Partners and Advisors indicating areas to be addressed to ensure the business plans met the commissioner's requirements.

Partners are governed by audits and assessments to ensure they are compliant and quality assure the service being provided to the customer, and as a result recognise the need for quality and compliance practices for the NEA contract, and others including BSUS and The Growth Hub. Partners cited the feedback gained to meet the needs of the customers and address the requirements of the commissioner, for example, quality of the advisory sheets, action plans and business plans, and supporting evidence. Advisors also spoke of the feedback gained when they had submitted plans and evidence, which failed to meet the minimum requirements. This resulted in a checklist being designed and a template for the 'ideal' business plan.

CCC gain information from reliable sources, and subsequently relay that to Partners and Advisors via email and Partner and Advisor meetings. Information is also available from Cobweb / COBRA to ensure Advisors have access to current information and practices. Partners and Advisors believe the information is current and accurate, and the advice and guidance is fit for purpose.

Some Partners have **matrix** accreditation, which quality assures the IAG being provided. The quality of the advisory sheets, actions plans and business plans are reviewed throughout the compliance activities, which incorporates the IAG that has been provided. In addition, the feedback from customers provides a measure of the appropriateness of the IAG and how this has supported them in their journey. CCC review all marketing materials to ensure it is fit for purpose and as a result provided feedback to a Partner to incorporate a wider range of ethnicity in a leaflet. In addition, some observations of workshop delivery been undertaken to review the information provided, but this is not consistent practice. In the future, consideration could be made to a far more consistent approach, for example, request observation of practice records from Partners, and undertake observations of their Advisors. In addition, consideration could be made to supporting Advisors to undertake an IAG qualification and / or work towards **matrix** accreditation as a sole trader.

CCC are accredited with the ISO27001 Standard and as a result implement a range of practices to ensure the security of data and assets. These requirements are cascaded to Partners; through due diligence, which requires the submission of appropriate policies and more recently a security plan. As previously stated, the requirements for the GDPR that come into effect in 2018 are being addressed to ensure Partners are compliant.

Advisors confirmed that they were made aware of the data security requirements throughout the induction and sign up to the data protection requirements. In addition, data protection agreements are signed with customers when they apply to participate in the programme.

Partner's policies and practices relating to health and safety and safeguarding are collected throughout due diligence, and visits to premises check for health and safety requirements as well as suitability and access. Partners referred to the Disclosing and Barring Service (DBS) required of delivery staff to meet the requirements of the commissioner.

Advisors spoke of information relating to health and safety and safeguarding throughout the induction, and specific practices to be implemented, for example, meet customers in a public place, and if deemed necessary to meet at CCC open offices to ensure their own safety.

Whilst due diligence and some checking of practices are undertaken, CCC may consider implementing checklists and / or an 'ears and eyes' approach to assuring data and asset security, health and safety and safeguarding requirements are being addressed by Partners, and upheld by Advisors, this would ensure a robust approach to ensuring Partners consistently implement the requirements.

Partner's environmental sustainability policies were collected as part of due diligence and subsequently Partners collect data relating to their contribution to the environment, for example, reducing carbon footprint. However, currently, CCC fail to undertake any form of monitoring performance in this area. Consequently, it may be timely to discuss and agree environmental sustainability targets, which are monitored and ultimately become embedded across the supply chains.

The quarterly Partner meetings provide the opportunity for sharing excellent / good practice, for example, case studies to promote the success of the service to potential customers, how to manage customers and ensure they keep their appointment, etc. One Partner is particularly effective in maintaining contact with customers post 26 weeks, and as a result shared the approaches at a recent meeting. Similarly, throughout the Advisor network meetings individuals share their successes and challenges, as well as knowledge, information and their experiences. One Advisor spoke of sharing methods of recording discussions at meetings, when they received limited administration time, whilst another made reference to meeting others outside of this meeting, or having telephone conversations with others when they are working with a challenging customer.

### 3c) Honouring Commitments

DWP made some changes to the 2017 contract agreements, which were discussed and understood with the Partners prior to bidding activities. Subsequently through the contract negotiations consideration was made to the requirements of Partners who confirmed that pre and post contract negotiations were conducted openly and with transparency, and that all contracting arrangements including finances were reflected in post contract agreements. It was noted that not all Partners were happy with the finance model, however, recognised that it reflected that of the DWP and as a result agreed to the contracting arrangement,

To date, since April 2017 variations / changes to the NEA contract have been minimal, where changes have taken place these have been communicated, verbally agreed and documented to ensure all parties clearly understand the future expectations.

Similarly, Advisors were aware of the contracting arrangements, including the finances and had a choice to agree to the terms and conditions or decline the offer. They confirmed that what was agreed throughout the discussions has been honoured by CCC. One Advisor explained:

*"We knew at the tender stage what the payments would be and it seems to be the going rate. Its fair for what we do – it's not like we have to go out and find the work."*

Partners confirmed that they are aware of the dispute resolution process, and to date had been confident to raise issues as they arose, which have been resolved, and as a result not found the need for a formal procedure. Advisors are confident to discuss issues and to date feel that their concerns have been addressed. However, this group of people were not aware of a dispute resolution process, and as a result, it may be timely to raise their awareness in the event of CCC failing to resolve issues in a timely manner.

CCC has not experienced any formal appeals throughout the life of the contracts and confirmed that if appropriate they would respect the decisions of any mediation service, including that relating to the Merlin Standard. Partners were aware of the Merlin Mediation Service, however, Advisors failed to recollect receiving any information, and once again consideration could be made to raising awareness of the service to those Advisors contracting for the NEA contract.

Partners and Advisors confirmed that they were aware of the expectations, before, during and after contract award and throughout the life of the contract. This was as a result of pre-bid and contract discussions with Partners, and an open and transparent procurement process experienced by the Advisors. All stakeholders confirmed receipt of a contract, which was fit for purpose and clearly communicated the expectations, which are often referred to throughout Partner meetings and Advisor networking activities. One Advisor explained:

*"I'm clear about what they expect of me and the contract is clear – even the tender was clear about who will do what."*

### 3d) Performance

The Partners described a collaborative approach adopted and referred to the consortium model, which contributes to all parties working together for a common purpose. There was evidence of information being shared regarding other contracts and programmes, for example, the Hub, Innovation Programme, etc. whereby the Advisors signpost customers when considering their next steps.

Performance is monitored across the supply chain informally on a daily basis by CCC, and Partners continue to gain MI on a weekly and monthly basis, which is used to drive performance. The quarterly Partner meetings are used to review performance of the supply chain and establish plans for the forthcoming period in order to meet the contractual requirements. Whilst performance is discussed as and when required with the Partner there have been no formal reviews until recent, however, this has been addressed with the introduction of an annual performance review, which had been experienced by two Partners to date. In the future, CCC may find it beneficial to consult with Partners to establish whether the annual formal performance is sufficient and meets with their expectations and requirements.

The performance of the Advisors is monitored through feedback from customers; evaluation of workshops and customer satisfaction survey, as well as achieving the performance expectations in a timely manner, and ensuring appropriate documentation and evidence submitted. If appropriate, feedback is provided to individuals, or addressed at the Advisor networking meetings if trends / patterns have emerged. Advisors confirmed that they take ownership for their own performance and identify areas for improvement as a result of the feedback gained from customers, the contract manager or back office staff.

Partners and Advisors explained that through formal and informal meetings / discussions they are confident to raise issues, and concerns, and share innovative approaches with the contract manager, and if appropriate back office staff.

Partners confirmed that the performance requirements were clearly defined and provided prior to and post contract award. The MOU and contractual documentation further outline the expectations and the quarterly Partner meetings re-focus on the expectations, as a result all parties clearly understand what is expected. Similarly, Advisors explained that the offer and contract clearly outlined the expectations and as a result they understand the requirements to meet the customer, CCC and the commissioner's requirements.

Partners spoke of improvements made to the MI over the past two years, and as a result they had access to current and accurate data, which supported them to deliver the contract and contribute to achieving the overarching performance expectations.

Partners perceive value for money is provided through the NEA supply chain due to the level of service provided to customers and the number of successes gained. In addition, reference was made to the effective use of resources, including signposting customers to other services to support them in their journey to achieve the anticipated outcome. Customers are offered a free membership to the Chamber for a period one year following completion of the programme to further develop their knowledge and skills, and business acumen; 'providing additional value for money'. Advisors spoke of the extensive, practical knowledge shared with customers as adding value and supporting them to achieve their aspiration, as well as the access to other Advisors with specific expertise, which would be expensive if purchased by other means.

The progress of customers on the programme is monitored against specific milestones and achievements, for example, progressing through the Sift and enrolling on the programme, undertaking 12hours advisory support and attending workshops through to submission of the business plan and 26 weeks of trading. Currently, these are tracked by Partners and CCC through manual processes due to the CRM not been signed off by DWP, once the CRM is in use tracking of customers will become far easier.

### 3e) Promoting Diversity and Equality

Partners believe that there is a common approach to diversity and equality across the supply chain. The NEA contract is a voluntary programme accessible to both unemployed and socially inactive individuals within the area/s of delivery. All potential customers are treated exactly the same, and experience an initial screening process, discussion about the business idea and feasibility, and anticipated outcome.

CCC collected Partner's policies relating to diversity and equality throughout due diligence to ensure there was a commitment to their overarching diversity and equality strategy and that these addressed key legislative and regulatory requirements.

Throughout the delivery of some contracts diversity and equality has been promoted through different media releases, which has subsequently been monitored to establish the different groups accessing the service. This has resulted in targeting specific groups, for example, women in business networks. Whilst the NEA programme is optional and open to potential customers interested in building a business, and subject to referrals from the JobCentre Plus, key targets have been set, for example, gaining between 40-50% of women onto the programme, 5% black / minority groups, 10 – 20% from deprived wards, etc. Currently, 50% of customers are women, 3% black / minority groups and 10% from deprived areas.

Whilst the data for those customers participating in the NEA programme is captured, due to the lack of a commissioned CRM (awaiting DWP sign-off) the analysis of the different groups is limited. However, this is to be rectified in the near future.

## 4. Review

### 4a) Supply Chain Review

CCC are aware of the different stakeholder groups that may influence the delivery of the service, for example, customers, Partners, Advisors, employers, LEPs, business networks, commissioners, etc. As a result, CCC actively seek feedback to establish the satisfaction levels and an indication of areas for further improvement to meet the needs of the customer and those of the commissioner.

Partners are also encouraged to gain feedback from the different stakeholders and subsequently make improvements to the delivery of the service. These approaches tend to be via evaluation forms and customer satisfaction surveys, focus groups, as well as complaints and compliments. Currently, the feedback gained by Partners and Advisors relating to the experience of customers is reviewed and analysed independently. In the future, it may prove beneficial to share feedback across the supply chain to contribute to improving the delivery of the service.

At the heart of the CCC is the desire to consistently improve, which was evidenced throughout this review; improvements have been made against the criteria of the Merlin Standard since 2015. Other external audits and assessment activities are undertaken with the aim of gaining feedback in relation to good practice and those to consider for further improvement across the CCC and the supply chains, for example, British Chambers of Commerce audit, ISO9001 and ISO27001, Provider Assurance Team (PAT) Test, to mention a few.

CCC complete an annual business review, which incorporates the different contracts. The feedback gained from the different stakeholders contributes to the SAR and identifies areas of strength and requiring further improvement. Whilst the feedback from the Partners and Advisors is incorporated into the annual review this failed to be recognised. Consequently, consideration could be made to reviewing Partner's SAR, which contributes to the business review and is resultant in a QIP, and subsequently shared with Partners.

The supply chain is kept informed of wider policy and strategy information of the commissioner and local stakeholders through the quarterly Partner meetings, emails, Advisor networking meetings, etc. Partners spoke of the wider policy and strategy information being discussed throughout the bidding stage and subsequently reviewed throughout the life of the contract, for example, building the LEP and LA strategic priorities into the design of the Growth Hub, which has continued to evolve and take into account additional local priorities such as Eden District Council priorities.

In order to meet the commissioner's objectives and contractual obligations, as well as customer's needs, the supply chain was reviewed throughout the bidding stage and continues to be under scrutiny. However, to date there is no apparent gap in delivery and the use of general and specialist Advisors is proving to be effective.

The current Partners are experienced and have a strong presence in the respective region in which they operate. The services provided through a range of funded programmes, including the NEA contract are complementary and contribute to their overarching strategy. In the event of a Partner opting to exit the supply chain, contingency plans are in place.

The service has evolved throughout the life of the NEA contract, for example, appointment of paid Advisors as opposed to volunteer mentors and improvements made to the recruitment of the 'right' customer with more viable business ideas, through the Sift process. In addition, a checklist for business plans now includes more information on finances and innovation, which ensures business plans address all aspects of developing a source additional information, as well as plans being approved first-time and customers having a 'more robust' business plan.

Partners described how they are having an impact on the wider social objectives and policy intent, for example, moving customers into self-employment or employment and retaining them in the local area. In addition, it has identified individuals that are economically inactive, and provided them with different skills and knowledge to move them into some form of employment, and contributing to the local economy.

Partners also made reference to having a positive impact on the different stakeholders, for example, customers overcoming barriers, gaining new knowledge and skills, increasing in motivation and confidence, etc. attending networking activities and contributing to the reduction of social exclusion. Case studies have been developed, which explain different journeys undertaken by NEA customers, indicating their experience and successes, and these are used to promote the service and engage other customers. One customer has increased their turnover by 50% and profitability by 30% as a result of the programme, and other examples of this nature were provided anecdotally

As previously indicated, Partners are committed to contributing to environmental sustainability, and aim to reduce their carbon footprint via reducing excessive travel, and where appropriate walking, however, this is not monitored. As a result, consideration could be made to setting environmental sustainability targets for the supply chain, which are subsequently monitored.

## 8. Conclusion

Cumbria Chamber of Commerce continue to meet the requirements of the Merlin Standard. It was evident throughout the assessment that the recommendations made following the initial assessment had been taken on board. The strategies to ensure collaboration, cooperation and effective communications had become embedded and the approach to contracting and funding was far more formal. In addition, the practices for quality assurance and compliance, as well as performance management was far more robust.

In October 2019, the Cumbria Chamber of Commerce, in line with the Merlin requirements will be expected to undertake a further review in order to retain the accreditation against the Standard. Consequently, consideration could be made to building upon its current strengths identified throughout this assessment review and making improvements as recommended. The organisation may benefit from undertaking a health check in October 2018 to review actions taken as a result of the recommendations in this assessment review in line with the Merlin Standard to support preparations for the assessment review in 2019.

Whilst the accreditation is for a two-year period, if additional contracts are awarded (by any commissioner) to Cumbria Chamber of Commerce whereby a substantial supply chain is required and subsequently used to deliver the service, 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	ASSESSMENT REVIEW
Assessor's Decision	STANDARD MET
Lead Assessor's Name	LORNA BAINBRIDGE
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