



merlin

promoting supply chain excellence

PINNACLE PEOPLE

Assessment Dates: 25/09/2017 to 26/09/2017

ASSESSMENT SERVICES
WE CARE... WE ASSESS... WE ADD VALUE



Contents

1.	About the Organisation.....	1
2.	Assessment Methodology	2
3.	Assessment Outcome	3
4.	Areas of Significant Strength.....	4
5.	Areas for Improvement	6
6.	Areas Requiring Significant Development.....	6
7.	Findings Against the Merlin Standard.....	8
8.	Conclusion	21

1. About the Organisation

Pinnacle People is a part of the Pinnacle Group, which aims to 'transform communities, regenerating their social and physical fabric to create better places to live. Commit for the long term through capital investment, housing management, improving energy infrastructure and helping people to find work'.

Pinnacle People was set up in 2008 to contribute to the overarching strategy and vision of the Group and contributes to the latter aim; 'enabling people to find lasting employment and change their lives'. It is a skills and employment business providing solutions to help people find sustainable employment by providing a range of interventions to initially resolve health, finance, social isolation and education needs. It offers welfare to work, recruitment and training solutions for individuals and businesses across the UK. It works in partnership with local communities and has built a reputation for combining high levels of service with a deep understanding of the communities they serve within the sector. It has supported more than 15,000 long-term unemployed customers to move closer to the job market and subsequently find work since 2009.

The organisation has become an established supplier to the Department for Work and Pensions (DWP), European Social Funding (ESF), as well as local commissioners, and delivers the services both as a Prime and Partner to other providers. Currently it delivers a range of services / programmes as a Prime, including but not limited to the South London Adult Employment Programme, Trailblazer Programme, Lone Parent Support Programme, London Youth Employment Service, etc. All these programmes / services are delivered through 'direct delivery'; utilising the knowledge and skills of their employees.

In 2016, Pinnacle People were awarded the Older Worker 50+ Programme across South London, which is commissioned by the DWP, ESF (England) 2014-2020 and South London Local Enterprise Partnership (LEP) Area. The programme supports unemployed people who are aged 50plus and provides them with the knowledge, skills and experience to equip them to move into and sustain work. Customers are referred to the programme via Jobcentre Plus (JCP) on a voluntary basis and receive a tailored programme of individual coaching and support from a Job Coach, group activities and work experience to move them into sustained work.

This contract is delivered through a 'direct delivery' model and that of a supply chain, which is made up of one Partner; Prospects. Prospects is an established Prime working within the Welfare to Work sector, and also partners with other Prime providers, as a sub-contractor, and as a result had a breadth of experience of co-delivering services. The contract is delivered in seven Local Authority Areas: Richmond; Kingston; Sutton; Merton; Bromley; Bexley; and Croydon.

2. Assessment Methodology

Pinnacle People was mandated to undertake an initial assessment against the Merlin Standard prior to 29th September 2017 as a result of being awarded the Older Worker 50+ Programme across South London by DWP. The purpose of the assessment was to gain accreditation against the Standard, which demonstrated the organisation is managing the supply chain effectively, identify areas of strength and those to consider for further improvement.

The assessment team comprised of Lorna Bainbridge (Lead Assessor) and one Team Assessor: Ruth Regan, and was supported by a Coordinator from within Pinnacle People. The Lead Assessor and Coordinator started planning the assessment in May 2017 whereby the logistics of the assessment and the on-site dates were agreed.

The Lead Assessor was in contact with the Coordinator prior to the on-site to review the scope, schedule and logistics. The Merlin Survey was not used on this occasion due to only one Supply Chain Partner, which was to be actively involved in the on-site interviews. The Self-Assessment Questionnaire (SAQ) and Pre-Assessment Notes (PAN) were submitted in line with the guidelines and within the agreed timeframe. The interview schedules were prepared and shared with the Assessors in preparation for the on-site activity.

The Lead and Team Assessor spent one day undertaking interviews with employees of Pinnacle People involved in the strategy of the business, procurement, contracting, quality and compliance and performance management of the supply chain and the counterparts within the Partner organisation. In addition, a potential Partner for a health and wellbeing programme was interviewed to test communications throughout the design and initial stages of Expression of Interest (EOI). This enabled the assessment team to gain a full understanding of the delivery model, including the systems and processes implemented to contribute to effective supply chain management.

Following the interviews verbal feedback was provided to the Coordinator of the assessment and members of the management team. This indicated the outcome of the assessment, areas of strength and those to consider for further improvement against the Principles of the Merlin Standard.

3. Assessment Outcome

Overall	%
Overall Outcome	70% Good
Supply Chain Design	67% Satisfactory
Commitment	74% Good
Conduct	80% 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.

- There are clear communication channels between Pinnacle People and the Partner, the appointment of a Contract Manager, facilitates the flow of information between the two parties, which has proven to be effective and ensures that there is no ambiguity regarding business relationship underpinning the supply chain. (2a.4)
- There is a culture whereby communications are consistently open, honest and transparent. This started at the first point of contact; throughout procurement and contracting and subsequently has continued since the contract went live. (2a.5)
- The market share was openly discussed and agreed at the initial stages of negotiating the contract arrangements, and as a result both parties clearly understood the rationale on this occasion. (2c.4)
- Interviewees within the Partner organisation consistently made reference to the positive and supportive approach adopted by the Contract Manager, and others within the Prime; from senior leaders, managers and operational staff. (3a.3)
- A range of communication approaches have been adopted to advise the Partner of any changes in legislative and regulatory requirements, as well as contractual changes, which are timely and include verbal, email and memos communications. Subsequently, there is a check to ensure understanding of the information and the implementation timescale of the requirements is discussed and agreed, if required. (3a.4)
- There is a robust approach to quality assurance and compliance; the Quality and Compliance Framework has been developed and communicated to ensure both internal and external delivery strands clearly understand the expectations and standards to be achieved in line with the contractual requirements. The findings are documented and action plans developed to address the issues identified. Monthly and quarterly review meetings also address data and asset security, healthy and safe working environment and safeguarding. (3b.1, 3b.2, 3b.3, 3b.4, 3b.5, 3b.6)
- Pinnacle People were open and honest at the on-set and ensured that the Partner was fully aware of the expectations, which were captured within the formal contract. Subsequently, throughout the life of the contract the Prime has continued to share expectations of both direct delivery and that of the Partner to ensure profiles have been met on a monthly basis. (3c.4, 3d.3)
- The approach to performance management is robust through formal meetings and informal discussions whereby performance is a key element. This is facilitated by the provision of consistent, accurate management information (MI), which is readily available on a daily, weekly and monthly basis, and also clearly indicates the progression of each customer and the interactions experienced throughout their journey. (3d.2, 3d.4, 3d.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.

- Pinnacle People provided extensive support to the Partner prior to contract-live in the form of workshops and a range of meetings, and have subsequently provided access to a range of learning and development activities to support delivery staff in their respective roles. In the future, consideration could be made to undertaking an annual business health check and training needs analysis to further the development of the Partner and staff. (2b.1, 2b.2)
- The supply chain was designed with the core values being at the heart of the relationship, as a result the Partner was selected on its own values, which are aligned to those of the Prime. In the future, consideration could be made to discussing and mutually agreeing the business principles which will govern the way a specific supply chain operates. (3a.1)
- The environmental sustainability policy of the Partner was reviewed throughout due diligence and subsequently the topic is referenced throughout the monthly and quarterly review meetings. Whilst a number of practices have been implemented to contribute to environmental sustainability; to date there has not been any form of monitoring. In the future, consideration could be made to setting appropriate targets and monitoring performance to establish the impact the supply chain has upon the environment. (3b.7, 4a.6)
- Pinnacle People and the Partner made reference to the effective use of resources, working collaboratively, sharing best practice and achieving the monthly profiles as providing value for money. In the future, consideration could be made to clearly defining value for money and monitoring the impact on the supply chain and customers to enable both parties to provide specific examples whereby value for money has been provided. (3d.5)
- Extensive anecdotal evidence was provided which indicated the impact on the wider social objectives of the commissioners, as well as the positive impact on external stakeholders and encouraging employee / people well-being. In the future, consideration could be made to undertaking a full social impact evaluation, and sharing the findings with the different stakeholders to demonstrate the difference being made to people's lives, local communities and key national strategies as a result of the service being delivered by the supply chain. (4a.4, 4a.6)

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.

- Whilst there was evidence of Pinnacle People and the Partner collaborating and seeking to work together on subsequent bids, and a joint venture being considered with other organisations, there was limited evidence of identifying and assisting the Partner to access additional funding / finance streams. It is recognised that the Partner is a Prime for other contracts, and has direct access to such information. Consequently, consideration could be made to identifying appropriate funding / finance streams for the Partner, which it may not typically have access to. (2b.2)
- Pinnacle People have ensured that the Partner's Diversity and Equality policy is aligned to their own, and subsequently Diversity and Equality is monitored and promoted throughout the monthly and quarterly review meetings. Recently data relating to Equal Opportunities has started to be collected and analysed and is to be used to inform future promotional activities. It is recommended that this practice is fully embedded within the supply chain, and adopted from the on-set if supply chains are used to deliver contracts in the future. (3e.3)
- The contract has been operating less than a year, and whilst practices have been reviewed throughout the life of the contract a full review of the supply chain has not been undertaken at this stage. Consequently, Pinnacle People in consultation with the Partner is encouraged to review the supply chain to ensure it continues to meet the needs of all customers and that of the commissioners. (4a.5)

7. Findings Against the Merlin Standard

1) Supply Chain Design

1a) Supply Chain Design

As a group, Pinnacle gain a full understanding of the purpose and objectives of each tender opportunity to ensure it is aligned to its vision and mission, and fits / contributes to the activities of the organisation in question, in this case Pinnacle People; *'enabling people to find lasting employment and change their lives'*. In the case of the Older Worker 50+ opportunity (and a health and wellbeing programme) a critical analysis of the commissioner's requirements detailed in the Tender Specification was completed, which identified the success factors, outcomes, activities and delivery requirements. In addition to this, a review of the ambitions, goals and requirements of ESF funded provision was undertaken as well as a review of the priorities and plans of the London Economic Action Partnership (LEAP).

Extensive research of each Local Authority Area that was to be covered in the South London provision was undertaken with the aim of gaining a clear understanding of each Local Authority (LA) in terms of strategies and targets related to employment and skills and health. In addition, data was used from NOMIS to gain an indication of the profile and potential volumes of customers, volumes by JCP offices, LA ward profiles and areas of deprivation, as well as customer analytics by age and health profile. There was also some work undertaken to identify the economically inactive within the areas contracted.

Subsequently, Pinnacle People started to design a delivery model, which would meet the commissioner's requirements, deliver the best possible service to customers, optimise the expertise and best practice in service delivery. Whilst Pinnacle People had some expertise internally there was recognition that working with Partner/s would prove to be beneficial especially within the geographical areas that Pinnacle People had less presence. Discussions commenced with a range of potential Partners, however, these were limited, and it became apparent that Prospects met all the requirements, and subsequently further conversations took place with them regarding the design of the delivery. Similarly, as confirmed by a potential Partner for the health and wellbeing programme, open discussions were held prior to designing the delivery model whereby their views and opinions were sought, which influenced the initial response to the Invitation to Tender (ITT).

Pinnacle People opted to use a supply chain to work with them to deliver the Older Worker 50+ and a health and wellbeing programme and sought to identify Partners with similar aims and values, and that could demonstrate high performance and quality service delivery when working with the customer groups that the respective programmes targeted. It was open to using Partner/s from the public, private or third sector with the pre-requisite requirements. The Partner is an Employee Owned Mutual Company and found to match the requirements of Pinnacle People, on this occasion. Throughout the initial design of the health and wellbeing programmes consideration was made to the public and private sector organisations, and one of a charitable nature.

Pinnacle People have employed two Community Champions, these advocate the Older Worker 50+ programme as they have undertaken a journey to find employment through this means, and consequently promote the service. These individuals are positioned in the boroughs, and visit sites, for example libraries, community centres, etc. to promote the programme to the hard to reach customers. In addition, Pinnacle People employ a Partnership Manager, who makes appropriate links with strategic organisations, as well as maintain conversations with the JCP on a weekly basis to promote the programme, which the Partner also has access to, if required. The Partner also utilises its own network of support organisations, if needed.

2) Commitment

2a) Collaboration, Cooperation and Communication

Pinnacle People adopted a straight-forward procurement process, which included an initial, very short EOI followed by an extensive telephone conference call with potential Partners to provide information on the offer and expectations. This also provided the opportunity for Pinnacle People to get a clear understanding of the potential Partner's vision, mission and values to ensure they were compatible. Those Partners interviewed complimented the Prime on their approach as it was far less onerous than the process used by a majority of other organisations. Subsequently, a second stage EOI was used, which comprised of five further questions. Both EOIs had a clear scoring mechanism and as a result potential Partners clearly understood the standard of response required.

Potential Partners confirmed that communications during their initial engagement was structured and time-lined, proactive and effective, and they enjoyed the opportunity to have open dialogue with the Prime at such an early stage. Subsequently, meetings and workshops enabled communications throughout contracting and go-live, and processes have been designed to be implemented throughout the life of the contract. Communication; formal and informal is viewed as a key strength as it is consistent and effective regardless of who is involved. One interviewee (from the Partner) comment included: *"Pinnacle People were honest and true in their dealings with us."*

Throughout the early stages of designing the Supply Chain for the health and wellbeing programme, potential Partners were invited to share their views and opinions in relation to systems and processes to be designed to meet the needs of the commissioner and customers. Throughout the initial discussions and throughout the life of the contract; Older Worker 50+ programme, the Partner has been involved in designing and improving the systems and processes, including the reporting activities.

The approach Pinnacle People as the Prime has taken is one of team work with the Partner; a culture of sharing and learning with Pinnacle People acknowledging that 'they do not always get it right or have the answers'. They work collaboratively at all levels; management and operational sharing their experiences of working with the different customer groups (unemployed / economically inactive). In addition, job opportunities are shared and if necessary they collaborate regarding performance achievements. One interviewee (from the Partner) comment included: *"Pinnacle People are willing to acknowledge when things could be done differently so encourage collaboration with our delivery team so we can learn from each other."*

Pinnacle People and the Partner made reference to having one key contact; the Contract Manager, which is the conduit for all communications, however, people did quickly state that, if required others were available, for example, compliance and quality, finance, senior leaders, etc. The staff within the Partner organisation confirmed that roles and responsibilities had been made clear throughout the pre-contract stage and as a result they were aware who to contact for specific support, however the one key contact ensured there was no ambiguity regarding the business relationship.

The Partner explained that communication was open, honest and transparent at the start of the relationship, throughout procurement, whilst negotiating the contract and this has continued. Formal and informal communications are two-way and equitable, people are confident to talk candidly either face-to-face, by telephone or email. The weekly tele-kit, monthly and quarterly meetings provide the platform to discuss concerns and issues, as well as successes with the contract. One interviewee (from the Partner) comment included: *"They have an open-door policy – you have a direct line into people at all levels within Pinnacle People but the key is the Contract Manager."*

2b) Developing Supply Chain Partners

Pinnacle People planned and executed a two-day workshop for all staff involved in the delivery of the programme. This provided information regarding the contract, including the expectations and delivery model, as well as a live demonstration of PICS; the MI system. In addition, information was shared relating to the demographics of the different LAs to enable them to adjust the marketing approach to appeal to potential customers that are unemployed and / or economically inactive, which differ in each area. One interviewee (from the Partner) comment included: *"All who attended the training came away with a Systems Operations Manual – which is a really good tool."*

There was no evidence of Pinnacle People supporting the Partner to further develop as an organisation, however, it was noted that the Partner is well established with clear governance and financial strategies, and continues to retain its position in the market place.

The Partner receives notification of all tender opportunities in the same way as Pinnacle People, due to being a Prime. As ITTs are released potential opportunities of working together on other contracts / programmes are often discussed with the aim of gaining additional funding streams for both parties.

Learning and development activities are identified and provided to all staff delivering the programme; direct delivery and supply chain throughout each stage of the contract. New members of staff joining the Partner are provided with appropriate training by Pinnacle People, for example, a pre-start workshop to provide an overview of the programme, support to gain an understanding the ESF paperwork and the importance of completeness and accuracy, as well as training on PICS, which has to be provided prior to gaining to access the system.

Following the launch of the programme best practice events were held with all delivery staff, once again direct delivery and supply chain. In addition, further formal training has been provided in the form of one-to-one support either face-to-face or through telephone support. Staff are kept up to date with the systems and processes via the Operations Manual, which is accessible through the 'P-Drive', as well as through one-to-one meetings. The Partner confirmed that both delivery teams are supportive of each other and happy to share their knowledge and understanding to contribute to the success programme. Some interviewees (from the Partner) comments included: *"The training gave us everything we needed."* *"If I identified training and requested it, Pinnacle People would provide it."*

2c) Contracting and Funding

As previously stated, Pinnacle People adopted a straight-forward procurement process, which was not too onerous or burdensome to potential Partners, and this was confirmed by both the present and an unsuccessful Partner. The aim was to get to know the potential Partner and as a result the 'meet the Prime' event and / or telephone conversations (between the two-staged EOI) provided the platform to identify the opportunities they may have for working together on specific programmes. These interactions also provided the opportunity to review the values and ways of working, as well as the delivery of the respective programme and expectations.

The present and unsuccessful Partner confirmed that the communications were ongoing, consistently open and honest, and inclusive with every effort made to gain an understanding of each other's requirements. The unsuccessful Partner confirmed that the communication of the outcome of the tender for a health and wellbeing programme was timely, and subsequently, they continue to seek opportunities to work together. Some comments from both the current and unsuccessful Partner included: *"The experience was open honest forthright direct and two-way."* *"During the call it was clear that Pinnacle People had ideas on what they wanted us to deliver as part of the research they had undertaken on the needs of the customer / commissioner requirements."* *"Communications were very open and friendly – open and honest throughout."* *"Pinnacle People explained that they were looking for from SCPs as they needed to deliver to all participants – and X had the expertise that they didn't."* *"The conversation worked very well as it gave both sides the chance to explore any future working relationships"*

A contract was designed by Pinnacle People, which was representative of that received from the commissioner; clearly indicating the expectations and outcomes required of the programme. The Partner confirmed that contract documents include details of what is to be delivered, the responsibilities of both parties; who does what and why. It was also viewed as a document that clearly reflected the way Pinnacle People operate.

The Prime and Partner worked collaboratively throughout the contracting phase; listened and respected each other to gain a win-win outcome. The negotiations were viewed as open and transparent, and included the funding / finance arrangements. The Partner confirmed that the funding / finance arrangements were agreed and did not cause undue financial risk to the organisation, but contributed to it's purpose.

The market share was openly discussed, which was subsequently agreed to be a 50/50 split. This was viewed as being very equitable and fair, and the Partner confirmed that it provided sufficient to make it worthwhile and become engaged in the contract without causing finance risk on either side. One interviewee (from the Partner) comment included: *"Pinnacle acknowledge they don't have all the answers or delivery capability so they needed to split the delivery."*

Pinnacle People recognised the importance of two-way communication and the need to ensure that the Partner was engaged at every stage of contracting, as a result it facilitated the negotiations regarding the contractual requirements. The Partner confirmed that open discussions took place regarding volumes, funding / finance and performance expectations. This was explained throughout one interview as: *"Honest, transparent when negotiating contracts for example finances are not always clear cut – Pinnacle People's approach was to be absolutely up front with numbers and bid values and negotiate."*

The Partner confirmed that Pinnacle People explained how they had arrived at the figures and what they meant, and subsequently they were asked if these (figures) seemed fair, and invited to express their opinion. There was acknowledgement that the contract set-up was '*not all plane sailing*', and further discussions were undertaken to review the geographical spread and market share to ensure they were equitable. However, the Partner confirmed that their requirements and expectations were taken into consideration both pre- and post contract award. One interviewee (from the Partner) comment included: "*They were true negotiations - sometimes they said yes sometimes they said no and so did we.*"

There are clear terms and conditions for payment to the Partner; 30 days from receipt of the invoice. The Partner confirmed that the payments were made on a timely basis, and consistently accurate. One interviewee (from the Partner) comment included: "*Never any suggestions that they do anything but pay on time within 30 days.*"

The management fee was shared openly with the Partner, which was perceived to be very fair. There was a clear understanding of what the Partner received in return, for example, learning and development activities, access to the operations manual, updates to the contract requirements, PICS, management support, quality and compliance practices, performance management support, etc. One interviewee (from the Partner) comment included: "*The management fee equates to what we are paying – well worth it. Not cheap but fair.*"

3) Conduct

3a) Demonstrating Commercial and Business Integrity

As previously stated, a key outcome of the procurement process was to ensure both parties; the Prime and Partner got to know each other, were aligned, had similar values and could work together towards a common purpose. The two businesses are perceived to approach things in the same way and with the same level of concern for the wellbeing of the customer and the staff involved in the delivery. Consequently, Pinnacle People opted to engage with the Partner based on similar social values. Some interviewees (from the Partner) comments included: *"Their ethos is similar to ours – even down to mottos which are aligned."* *"We both have community based core values."* *"Cultural fit – organisation with a cultural purpose – there is a match in our purposes – to improve the life of people."* *"We sit well with them and vice-versa."*

Pinnacle Group has a strategy in place to manage TUPE, however, there has been no requirement to implement this to date. As a result, this aspect of the Standard was not fully tested throughout this assessment. Confirmation was provided that the TUPE strategy would be mobilised, where appropriate, in the future.

The Partner perceives that oral and written interactions are consistently positive and supportive. Whilst the teams are relatively small they work well together at all levels; senior, management and operational, and actively support each other to deliver the programme to meet the contractual obligations. One interviewee (from the Partner) comment included: *"They have put a lot of thought into how they share information and how they interact with us."* Whilst another commented: *"It is what people say about you when you are not in the room that is important – and I have nothing negative to say about Pinnacle People."*

Whilst the Partner is also a Prime (for other DWP and commissioner's contracts) and receives appropriate updates regarding legislation and regulatory requirements, Pinnacle People do not abdicate responsibility. Appropriate communications are made by the Prime, and these are subsequently checked for understanding and implementation throughout the monthly and quarterly meetings. In addition, the weekly tele-kit is often used to check initial understanding and to answer any questions which might impede implementation within an agreed timescale.

Pinnacle People ensure all relevant documentation is updated, including the Operations Manual, which is accessible on the P-Drive for all staff. The audit and compliance, as well as performance reviews and updates on a monthly basis keeps the information fresh and alive

Similarly, any changes to the contractual requirements are cascaded to the Partner in a timely manner through emails, memos or verbally and subsequently followed up at the next opportunity; weekly tele-kit, monthly or quarterly meeting.

3b) Quality Assurance and Compliance

The Quality and Compliance Framework was designed to provide a robust and structured approach to quality assurance and compliance, which is proportionate and respects the maturity and experience of the Partner. The approach was communicated to the Partner through training interventions and also available for review in the Operations Manual. One interviewee (from the Partner) comment included: *"Pinnacle People do a good job and it is testament to them that the in-house quality team have been involved so little."*

An exemplar document pack was produced which provided everyone with a clear indication of how each piece of documentation was to be completed. At the start of the contract a 100% audit was undertaken on all documents, however, through verbal and written feedback the Partner has responded positively and subsequently the number of errors have reduced to the point whereby Pinnacle People are confident with the accuracy of completion.

There was also evidence of audits identifying the vagueness of the action plans and as a result work has been undertaken to support the delivery staff to capture the relevant information and complete a meaningful action plan for the customer, which meets the requirements of the commissioners.

Feedback mechanisms have been adopted to establish the quality of the service; experience and satisfaction of the customers. These are in the early stages of implementation, and feedback to date has been minimal, however, this information is to be used to inform improvements to the delivery of the service in the future.

The Partner is accredited with the **matrix** Standard due to being a Prime of contracts, which require the quality assurance of the information, advice and guidance (IAG) provided. Consequently, once again, Pinnacle People have acknowledged and respected this accreditation and not imposed additional practices to quality assure the IAG being provided.

In terms of the IAG provided to the Partner and their customers by Pinnacle People, this is viewed as current and accurate as it is gained from reliable sources, and cascaded in a timely manner. The action planning audits identify any issues relating to the appropriateness, currency and accuracy of the IAG, which is relevant to customers. As a result, areas of non-compliance are shared and if appropriate, action taken. All communications are followed up to ensure understanding and implementation of the requirements. One interviewee (from the Partner) comment included: *"Always follows up in writing following an important oral discussion and it always matches what has been said."*

The policies relating to security of data and assets, health and safety, safeguarding and environmental sustainability are reviewed as part of due diligence and this is subsequently undertaken on an annual basis to ensure changes have been incorporated and these continue to be aligned to those of the Prime. All the Partner delivery staff are expected to complete e-learning activities to address data security, health and safety, safeguarding and Diversity and Equality as part of their induction, which is subsequently to be updated on a one-to-two yearly basis.

The Partner is accredited with the ISO27001 Standard, which is recognised by Pinnacle People. In addition, a monthly data security report is completed and submitted to the Prime and this topic is further discussed throughout the quarterly meeting. The Partner referred to the minimum requirements, which included; all new staff to be DBS (Disclosure and Barring Service) checked and to undertake the full induction programme before they can access the data system or engage with customers. In addition, daily desk sweeps ensure no active data / documents are left on desks, all information has to be locked away, no use of insecure internet when working; including when on remote sites and any paperwork sent via secure mail.

Pinnacle People undertake visits to the delivery sites that the Partner operates from before customers are invited to the premises, which includes a review of the minimum health and safety requirements. This is then reviewed as part of the monthly and quarterly meetings undertaken with Pinnacle People.

Similarly, the practices for safeguarding are reviewed, including DBS requirements, loan worker policies and escalation processes to ensure these are in line with the requirements. Once again, the monthly and quarterly meetings seek to check these requirements, and if required, prompt the sharing of any concerns or issues relating to safeguarding within the delivery of the programme.

As previously stated, the policy relating to environmental sustainability is reviewed as part of due diligence and refreshed annually, and also discussed at the monthly and quarterly meetings. Some practices have been discussed and mutually agreed, for example, printer set to double sided printing by default (with the exception of a document for DWP) and a digital agenda which includes the use of a scanner and uploading everything to PICS. Whilst the Partner has targets relating to environmental sustainability these are not set or reviewed by Pinnacle People.

The partnership was established on a strong foundation, which encouraged openness and honesty, and a genuine desire to work together to meet the requirements of the customers and those of the commissioners. Consequently, there is recognition that the sharing of practices; good and failures is paramount to the success of the contract and as a result this approach has been adopted, especially at an operational level. Best practice meetings are attended by job coaches across the supply chain, and some examples of excellent / best practice being shared included: methods used to reduce errors with the paperwork, the use of a scanner to enable job coaches to scan the documentation immediately upon completion and how to transfer names from passports (Spanish) onto programme documentation. As well as the introduction of Community Champions to reduce the reliance on JCP referrals for what is a non-mandated programme.

3c) Honouring Commitments

The Partner interviewees consistently made reference to the clarity and openness of communications throughout pre- and post negotiations, which have been honoured. The Partner made reference to three contract changes made by DWP, which affected them, and these were fully explained, and subsequently the appropriate documentation designed to reflect the changes.

A dispute resolution process has been designed and subsequently communicated to the Partner, which clearly indicates the different stages to be followed. The Partner confirmed that it was aware of the process and that it was within the contract for reference. Once again, the Partner spoke about the open and honest approach to conducting business and the fact that they would have the confidence to discuss anything with Pinnacle People, at any level, including the Directors. There was a belief that any grievance would be resolved promptly, and as a result the dispute resolution process would not be required throughout the life of the contract. One interviewee (from the Partner) comment included: *"X and Y are so accessible – any potential dispute will be sorted."*

The senior leaders of Pinnacle People confirmed that they would fully respect the decisions made as a result of the Merlin Mediation Service, if it were to be deemed to have not acted in accordance with the principles of the Merlin Standard. The Partner confirmed awareness of the Merlin Mediation Service but, due to the behaviours displayed and the relationship developed there is a belief that they would never need to use the service.

There are numerous processes in place to ensure that both the Prime and Partner are aware of each other's expectations, throughout procurement, contracting and to date the life of the contract. The weekly tele-kit, monthly and quarterly meetings provide the opportunity for 'formal' communications with a structured agenda for both parties to contribute their views and opinions and agree actions to be undertaken. Whilst daily ad-hoc communications take place, and once again expectations are shared and plans agreed, it was evident that the Prime and Partner work together and as a result clearly understand the expectations and contributions to be made to achieve the profile.

3d) Performance

Pinnacle People and the Prime explained that from the start of the programme both delivery teams and contract management teams have worked collaboratively with the concept of working together being at the heart of everything they do. The best practice meetings engage both Pinnacle People and the Partner staff and are seen as a continuation of the pre-launch workshops. Some examples of collaborative working included: the sharing of vacancies across the delivery teams, the use of a database maintained by the Partner and sharing approaches to working with different customer groups; unemployed and economically inactive. One interviewee (from the Partner) comment included: *"They are very understanding and give us everything we need. The initial workshops set the tone for the relationship which is collaborative."*

The approach to performance management has been robust, and viewed as proportionate by both parties. The weekly tele-kit, monthly and quarterly meetings are structured, agendas are prepared and circulated in advance, and include performance, issues and concerns, as well as innovation and sharing good practice. The Partner spoke of these interactions being open, and able to ask questions, raise concerns, etc. One interviewee (from the Partner) comment included: *"The weekly tele-kit was initially used to discuss the paperwork but is now more performance and MI based."* Whilst another interviewee spoke of 'innovation and good practice is perceived as 'tweaking' or 'refining' processes and paperwork'.

The performance expectations were clearly defined prior to the formal contracting stage to ensure the Partner was aware of the requirements. These were subsequently discussed and mutually agreed, and confirmed in the written contract. The Partner confirmed that the pre-launch meetings included a review of the expectations and the contract exchange included performance expectations; starts, short and sustained outcomes, etc. along with the volumes. Throughout the life of the contract the daily interactions, weekly tele-kit, monthly and quarterly meetings revisit the performance retrospectively and going forward, resulting in both parties being very clear in terms of the expectations.

The Partner spoke very positively about the daily MI available through PICS, and the fact that following requests additional search facilities have been included which helps to manage the customer journey, manage caseloads, plan the future pipeline, etc., both in terms of underperformance and potential over performance. Some interviewees (from the Partner) comments included: *"They are always happy to change or tweak the MI we receive and add additional search facilities."* *"I trust the MI system."* *"It has built up over time and now mirrors the learner journey – it is very comprehensive."*

Value for money was referred to as meeting the requirements in the contract, using the resources effectively across the supply chain, including mailshot and marketing materials, as well as sharing knowledge and best practice to contribute to improving performance and the service delivery.

As previously stated, the daily MI is used to review the customer journey and enables searches to be undertaken to identify a customer's point in their journey and to establish whether they are making sufficient progress towards their goals. It also enables the Partner (and Prime) to review the opportunities customers have taken up in terms of training / support, who has attended coaching sessions or group sessions, attended as anticipated, etc. and that action plans are completed timely and progression towards a job is evident. In summary, the progression from induction to sustained job outcome are measured and monitored through the MI available. One interviewee (from the Partner) comment included: *"We can pull a report for a particular customer which will pinpoint on anyone day where they are on the customer journey."*

3e) Promoting Diversity and Equality

The Partner's policies and procedures relating to Diversity and Equality were checked throughout due diligence and found to be aligned to that of Pinnacle People, which was confirmed by the Partner. Subsequently, these will be reviewed formally on an annual basis, to ensure the legislative and regulatory changes are addressed and the approach of the Partner continues to be aligned to that of the Prime.

Diversity and Equality is reviewed and monitored throughout the quarterly meetings. There is a clear understanding of the demographics of the different LA's and as a result this is used to consider how to target the differing customer groups. The eligibility barriers have been and continue to be highlighted and discussions on how these can be overcome take place. The active use of the Community Champions aims to seek out / identify the hard to reach groups in

particular the economically inactive in each area.

The data in relation to Equal Opportunities is now being collected as a result of the requests from DWP, however, it is seen as being too early to undertake any extensive analysis of the data and use it to improve the programme as there is insufficient available to make it meaningful. Common comments from the Prime and Partner included: "*There are no real trends as yet.*" "*It's too early to say due to the low numbers.*"

4. Review

4a) Supply Chain Review

Pinnacle People have identified the different stakeholders, as DWP, ESF, LEPS, LAs, JCP and the customers in receipt of the service. Feedback is gained through a range of methods, for example, from DWP the Compliance Monitoring Officer (CMO) audit has influenced improvements to the process for submitting the ESF1420 form to the JCP on a timely basis. The organisation is currently experiencing the Provider Assurance Team (PAT) audit and plan to incorporate any findings in future plans.

In addition, the external Standards used by the Partner are reviewed, for example, **matrix** accreditation to enhance the information, advice and guidance service within the Partner, as well as ISO27001 to identify effective data and asset security practices.

Customer feedback is limited although a 'survey monkey' survey is being actively promoted to date only a few customers have responded. However, the feedback gained is analysed and improvements made as a result, for example, the Richmond office is to move premises as the original office was seen as being too far to travel to. In light of the percentage of customers providing feedback this has become a focus for both the Prime and Partner. One staff member made the following comment: *"Customer feedback is limited to date but we will be holding forums and focus groups in the future."*

Pinnacle People have not been delivering the Older Worker 50+ contract for a full year at the time of the Merlin assessment, however, they are currently in the process of undertaking a self-review. The Partner has also been requested to prepare and submit a Quality Improvement Plan (QIP), and plans are in place to share this on completion. There was evidence of self-assessment activities and the development of a QIP in other contracts, which identified improvements, for example, increase customer feedback, improve the visibility of the MI and respond proactively and provide better in-work support service. As a result, the assessment team felt confident this practice would be completed in full for the contract in question.

As stated previously, the Partner is a Prime for other contracts and as a result are kept informed of the wider social objectives of DWP, for example, the programme is voluntary and as such is an additional way of attracting this demographic into employment which meets the objectives. Consequently, the supply chain is aligned to this due to both parties operating in an area whereby they have a strong presence. In the event that Pinnacle People attend a meeting with DWP, ESF or a LA, and the Partner is not represented the information gained is shared with them in a timely manner.

The Prime and Partner are starting to have an impact on the wider social objectives; people who would not typically seek support of this nature and viewed as hard to reach have been engaged in the programme and subsequently started to progress closer to the labour market and gain additional soft outcomes. The Partner highlighted successes including increased motivation, employability skills, job search skills, as well as increased IT skills to enable customers to connect using modern technologies such as social media and email. This was also echoed by Pinnacle People. Examples of some successes included; a customer returned to the UK after living in Australia and failed to have an appropriate Curriculum Vitae, which was subsequently updated and job search skills developed, and within a few months found sustainable employment. Another focused on developing a customer's IT skills and how these were used to gain employment.

The contract is also deemed to be having an impact on people's wellbeing; a high number of the customers are living alone so have mental health needs due to isolation and once again IT skills are being developed, and those identified as being 'at risk' are being invited to smaller group sessions. Consequently, there has been evidence (anecdotal and case studies) whereby mental health improvements have been noted due to socialising with others, as well as integrating people into local communities, and supporting them with financial planning, housing, etc. to build upon a foundation. Some interviewees (from the Partner) comments included: *"Not everyone will get a job but we are developing softer skills and these are seen as positive outcomes."* *"We produce at least one success story a month to share with Pinnacle People and not all these are job outcome related – they promote the softer achievements of clients."*

The culture of both the Prime and Partner is that it supports their staff and help them with their job roles, provide training and support without putting undue pressure on them to reach targets (all be it that they are important).

As previously stated, the contract has been operating less than a year, and whilst practices have been reviewed throughout the life of the contract a full formal review of the Supply Chain has not been undertaken at this stage. However, through the regular communications between the Prime and Partner and meetings with external stakeholders; for example, LAs, JCP, etc. every effort is made to gain an understanding of the current and future customer needs, and the programme tailored in line with the requirements.

8. Conclusion

Pinnacle People have met the requirements of the Merlin Standard. It was evident that the working relationship with the Partner at all levels; strategic and management of the supply chain are built upon being open, honest and transparent, and a genuine desire to achieve a common goal. Communication was open and honest, prior to contracting, which has been the same throughout the early stages of implementing the contract, people willingly share best practice throughout the supply chain (direct delivery and Partner) to improve the performance the delivery of the service and achieve performance expectations as a team.

Robust practices have been designed to ensure the service is of a high quality and that the requirements of the commissioners in terms of audit and compliance, and performance expectations, which was confirmed by the Partner. People throughout the supply chain have the confidence to challenge the practices, once again, with the aim of improving the delivery of the service and meeting contractual requirements.

In September 2019 Pinnacle People will be expected to be re-accredited with the Merlin Standard, and as a result consideration could be made to building upon its current strengths identified throughout this assessment and make improvements as recommended. Pinnacle People may benefit from undertaking a health check in September 2018 with the aim of establishing the impact of the planned improvements on the management of the supply chain in preparation for the re-accreditation in 2019.

Whilst the accreditation is for a two-year period, if additional contracts are awarded (DWP or other commissioner) to Pinnacle People 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	INITIAL ASSESSMENT
Assessor's Decision	STANDARD MET
Lead Assessor's Name	LORNA BAINRBIDGE
Visit Date	25/09/2017 – 26/09/2017
Client ID	C21101
Assessment Reference	PN102741