



**merlin**

promoting supply chain excellence

**IXION HOLDINGS (CONTRACTS) LIMITED**

Assessment Dates: 27/11/2017 to 30/11/2017



## Contents

1.	About the Organisations .....	1
2.	Assessment Methodology .....	2
3.	Assessment Outcome .....	3
4.	Areas of Significant Strength.....	4
5.	Areas for Improvement .....	6
6.	Findings Against the Merlin Standard .....	7
8.	Conclusion .....	23

## 1. About the Organisations

Ixion Holdings (Contracts) Limited (Ixion/the Organisation) is a not-for-profit company. Ixion has been through a change of ownership whereby on 3rd June 2017, The Shaw Trust Group acquired Ixion from Anglia Ruskin University. Ixion continues to operate as a stand-alone company with its own main board, branding and identity. The new ownership is supporting plans for diversification and growth ambitions as well as strengthening both organisations' positions in the employment, justice, enterprise, innovation, learning and skills sectors.

The Organisation has a stated vision - "transform people's lives through Skills, Employment, Enterprise and Innovation growth". Its aim is to help individuals change their lives and assist economic growth using workforce skills development, helping the unemployed, employed, offenders, veterans etc. acquire new skills, get jobs, gain confidence and provide business start-ups with the know-how to become established, sustain and grow. Ixion also supports high-growth organisations and research institutions across Europe by allowing them to innovate and access EU funding. It partners with organisations in health, education, private sector, central and local government to deliver its defined outcomes.

Ixion continues to deliver a diverse range of employment, skills, enterprise, innovation and justice provision including Education and Skills Funding Agency (ESFA) contracts, Research and Innovation consultancy, Department for Work and Pensions (DWP), European Social Fund (ESF) New Enterprise Allowance (NEA) start-up contracts, Big Lottery Building Better Opportunities (BBO) contracts and Her Majesty's Prison and Probation Service (HMPPS) ESF Co-Financing Organisation 3 (CFO3) provision.

Each of these has Supply Chain Partners that enables Ixion to deliver the services for the relevant customers. In terms of percentage of delivery by Supply Chain Partners this is as follows:

New Enterprise Allowance: direct delivery: 99% / 1% supply chain

ESF North Yorkshire and East Riding: direct delivery 0% / 100% supply chain

Advanced Learner Loans/Adult Education Budget/Traineeships and Apprenticeships (Levy and Non-Levy from May 2017 (National Coverage): direct delivery 27% / supply chain 63%

ESF Employee Support in Skills (SMEs): direct delivery 50% / supply chain 50%

HMPSS CFO3: West Midlands – direct delivery 58% / 42% supply chain and South East – direct delivery 63% / 37% supply chain

Building Better Opportunities (BBO): direct delivery 0% / supply chain 100%

Since the Merlin initial assessment in 2015, Ixion has focused on the areas for improvement and continued to develop ways of working with Supply Chain Partners throughout all stages of the process whilst enjoying relationships with new commissioners and more latterly a new parent organisation. It is Ixion's ambition to continue to grow and develop its reputation as a Prime of choice as it continues to invest in excellence in supply chain management.

## 2. Assessment Methodology

Ixion was successfully assessed and accredited against the Merlin Standard in December 2015, and as a result was due the two-year reaccreditation assessment. The purpose of the assessment was to review the position of Ixion against the Merlin Standard, establish improvements since 2015, identify areas of strength and those to consider for further improvement.

The assessment team comprised of Susan Smith (Lead Assessor) and two team Assessors (Lorna Bainbridge and Andy Richardson) supported by a coordinator within Ixion. The Lead Assessor and coordinator started planning the assessment in August 2017 whereby the logistics of the assessment were identified, and the on-site dates and a schedule of activities agreed to ensure specific timescales were achieved. All Supply Chain Partners involved in supporting Ixion to deliver its services were informed of the assessment via email by the coordinator of the assessment and all received the Assessment Services online survey.

The Lead Assessor was in regular contact with the coordinator prior to the on-site to review the scope, schedule and logistics. Prior to the on-site activity all documentation required for the assessment – Self-Assessment Questionnaire, Pre-Assessment Notes and interview schedules - were shared within the agreed timescale.

The assessment team spent four days on site. This included reviewing documentary evidence including those relating to supply chain design, improvement plans, environmental sustainability, TUPE, communications, and contract and performance management. Interviews were also undertaken whilst on site with Ixion staff including those involved in the strategic and day-to-day development and management of the Supply Chain Partners. 60% of Supply Chain Partner organisations were interviewed as well as two past Partners and two people involved in TUPE transfer.

Following the interviews, verbal feedback was provided to key managers in Ixion along with the coordinator of the assessment; this indicated the findings against the principles of the Merlin Standard, areas of strength and those to consider for further improvement.

### 3. Assessment Outcome

Overall	%
Overall Outcome	87% Excellent
Supply Chain Design	93% Excellent
Commitment	88% Excellent
Conduct	87% Excellent
Review	80% Good

## 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.

Due to the effective strategies, processes and activities involved in supply chain design, there is a wide variety and scope of Supply Chain Partners across all contracts. The objectives of commissioners are clearly understood and communicated with potential Supply Chain Partners in a way that enables both parties to develop an enriched supply chain. This results in comprehensive support to customers through the use of extended and well aligned and utilised networks of support. Effectiveness is measured through customer satisfaction surveys and analysis of these drives future improvements. (1a.1 / 1a.2 / 4a.5)

There is excellent support provided to Supply Chain Partners in developing their own policies and procedures to meet best practice standards. The use of the In-tend portal along with the proactive approach to offering live and recorded webinars means that Supply Chain Partners have full support available to them. There are also some positive examples of coaching and mentoring provided to Supply Chain Partners that have helped them grow and diversify their business and thus remain vibrant and sustainable members of Ixion's supply chains. (2b.1)

The procurement process from initial engagement through the Expression of Interest (EOI) and Invitation to Tender (ITT) stages is fair and transparent. The use of the new e-tendering module as part of the In-tend system was found to assist in this process. All newer Supply Chain Partners confirm that support and communication throughout this process is highly effective. This includes detailed feedback and confirmation of scoring processes to both successful and unsuccessful Supply Chain Partners. (2c.1)

Payment arrangements are commended by a significant number of Supply Chain Partners as being fair and proportionate. Supply Chain Partners confirm that payments are made on time and there were some examples of flexibility around payments to assist in specific scenarios. (2c.2, 2c.7)

There is clear strategy in place to support any TUPE activity. Appropriate consideration and expertise is used in each scenario and Supply Chain Partners and staff feel they are kept well informed and are supported throughout in a timely manner. There was a good understanding of legal requirements and effective support put in place not only for Partners but for individuals affected. (3a.2)

Information security strategy and processes were seen to be being highly effective, with extensive support provided to Supply Chain Partners from subject experts within Ixion. Significant investment has been made in systems to monitor data activity across the supply chains and to meet the requirements of the forthcoming General Data Protection Regulations (GDPR) in May 2018. A number of Supply Chain Partners made reference to the effective support provided during annual spot checks to test information security. (3b.4)

Pre- and post-contract negotiations are clear, and all agreements and arrangements have been upheld by all parties. This consistency means that promises are honoured and expectations are met. There is transparency about what needs to be achieved and how the supply chains will achieve this. (3c.1 / 3c.4)

There is strong evidence of resources used across the contracts and that collaborative activities of Supply Chain Partners have a positive impact on customers. This includes utilisation of specialist services already funded by other commissioners, sharing of premises and staff, more effective referrals and results in improved supply chain performance and customer satisfaction rates. (3d.5)

The activities undertaken by Ixion, along with its wide range of Supply Chain Partners, enable customers to develop themselves and their wellbeing in its widest possible sense. This includes personal health and wellbeing, family relationships, community contribution and cohesion, and impacts on environmental sustainability. The Social Return on Investment measures demonstrate the impact of the sum of the supply chains' activities, and case studies illustrate this at a very personal level showing how there is integrity built into the design and in the deployment of contracts. (4a.4 / 4a.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.

Ixion is encouraged in its plans to implement a routine Supply Chain Partner feedback process post procurement. This has been completed on an ad hoc basis and has resulted in useful developments and refinements to the process; however, the Organisation recognises that a more structured process could produce ongoing continuous improvement actions and/or confirm good practice. (2c.1)

Whilst there are examples of the management fee being reduced or indeed increased based on the support needs of individual Supply Chain Partners, Ixion may wish to consider whether a published 'menu' of support would be beneficial in terms of transparency of management fees and flexibility to support the needs of different Supply Chain Partners. (2c.8)

It is clear from Supply Chain Partner testimony and from documentary evidence that market share is clearly shared across the supply chain at the outset of contracts. Ixion may wish to reflect on Supply Chain Partner feedback from the assessment that this picture isn't necessarily updated throughout the life of the contract and can change substantially due to contract variations. (2c.4)

Whilst there are good examples on many contracts of collaboration, there were some Supply Chain Partners that felt more could be done in this area. For example, some Supply Chain Partners felt that they could usefully know more about other members of the supply chain in order to make more effective referrals. Additionally, Ixion is encouraged in its plans to bring specialist partners to meet the whole supply chain in the CFO3 contract. Ixion may wish to consider how it can assure this activity moving forward. (2a.3)

There are clear mutually agreed core principles promoted by Ixion and agreed by its Supply Chain Partners. There is often a strong alignment of business principles which are discussed and agreed pre-contract. Ixion may wish to develop this area further by using the core principles in its performance and quality management processes by offering Supply Chain Partners the opportunity to give and receive feedback on how both they and Ixion are performing in relation to the principles they have agreed to. (3a.1)

Whilst there is a robust and clear channel for performance review which provides Supply Chain Partners with the opportunity to raise issues and concerns, it is less clear how Supply Chain Partners can give objective feedback on the performance of their Contract or Supply Chain Manager. Whilst relationships are supportive and positive in the vast majority of cases, Ixion may wish to reflect on how it can assure itself of consistency of approach in the future. (3d.2)

Ixion is encouraged to develop communications and Supply Chain Partner understanding of their contribution to the overall continuous improvement plan (Self-Assessment Report/Quality Improvement Plan) across all contracts. This would ensure a comprehensive self-assessment across all activities and determine where there are common themes for improvement. This may be helpful when determining the agenda for future supply chain webinars. (4a.2)

## 6. Findings Against the Merlin Standard

### 1) Supply Chain Design

#### 1a) Supply Chain Design

The scope and variety of the Ixion supply chains contains a good representation of public, private and third sector organisations. Supply chain design is based on a clear rationale of meeting the commissioner's objectives and specifications effectively which is to deliver services to a wide range of customer groups with varying needs. Supply chain design principles continue to be led by ensuring geographical coverage, experience with the customer groups and track record for their specialisms balanced against Ixion's own strengths to directly deliver services. Some commissioners have requirements regarding maximum levels for subcontracting; where this is the case, this underpins supply chain design for mix and balance of partners. The starting point for the Business Development team is to ensure effective research and consultation regarding the local demographics and existing supply chains and delivery models (mapping exercise), as well as local employers' and customers' needs. An example of this was during the BBO bidding process, where Ixion consulted with potential programme customers on what they felt would benefit them and this informed geographical areas they felt were missing services, information about local problems and how their local labour market stands. Ixion continues to routinely have contact with local authorities, government departments, provider networks, local job centres, Local Enterprise Partnerships (LEPs) and any other key players identified. Since the last Merlin assessment, to meet commissioners' requirements for open and competitive tendering, Ixion has hosted mini competitions using the 'E-Tendering' module of In-tend, to replace provision where original Supply Chain Partners have withdrawn prior to commencing delivery.

Through its network of current Supply Chain Partners across the various commissioners and contracts, Ixion continues to demonstrate a rich and diverse range of public, private and third sector organisations. For example, in the HMPPS supply chain across the South East and West Midlands areas there are five end-to-end Supply Chain Partners, three of which are charitable organisations and two SME organisations. More recently on this contract, a number of other partners have been taken on board to deliver a range of training courses to enrich the supply chain, enrich customers' outcomes and provide greater value for money for commissioners.

Ixion uses a range of organisations outside its formal Supply Chain Partners to provide additional support to deliver outcomes for customers and stakeholders. Examples include the signposting of Information, Advice and Guidance (IAG) Services, mentoring, apprenticeship vacancy matching, safeguarding and welfare agencies, and drugs and alcohol support services that are not a core service but essential wraparound support available through locally developing wider networks. Within the Skills ESF Contracts, there is a continual role for the LEPs through governance and setting the skills priorities, which are an important stakeholder relationship to Ixion and its Supply Chain Partners. On the HMPSS contract, a suite of specialist partners has also been identified to support a range of specific services to meet the breadth of offenders' needs. These have been compiled into a directory and this is updated on a regular basis and shared with Supply Chain Partners. One member of staff commented "*Stakeholder engagement is critical, so partners are encouraged to network with JCPs, Local Authorities, Charities, Community Centres and even employers.*"

## 2) Commitment

### 2a) Collaboration, Cooperation and Communication

As part of the Business Development planning process, potential bidding opportunities with a range of commissioners (existing and new) are presented to the main Ixion board for its support prior to commencing the pre-tender response stage; this is referred to as a 'Road Map'. This has remained in place within the Acquisition Agreement with the Shaw Trust. Following support from the board to pursue the bidding opportunity, the Business Development team undertakes extensive partnership exploration activities using a wide range of communications. These include: open calls for partners on industry portals; invitations to make expressions of interest posted on the company website and alerts to those registered on In-tend; and attending commissioners pre-tender information events and scoping meetings through existing networks of interested Supply Chain Partners and stakeholders. In order to deliver a level of transparency and trust with Supply Chain Partners, Ixion enters new relationships in an open and transparent way as part of early contract negotiations. All potential partners that have been identified as a potential Supply Chain Partner within bids to commissioners are kept informed with the development of the bid and timescales, including commissioner 'slippage' for contract decisions, by Ixion hosted webinars. For example, on the BBO projects all partners and stakeholders were invited to webinars to keep them updated with the expected timelines for the award and then for the implementation. Before and following procurement, the 'Partner with Ixion' handbook and Ixion Supply Chain Management Framework (SCMF) sets out how Ixion will work in partnership to deliver the highest quality service to customers, and how it will ensure that risk assessments and due diligence is completed to mitigate financial risk for the supply chain. Outcomes from the due diligence score cards and feedback from the application process is discussed with the Supply Chain Partner. The Supply Chain Manager then takes forward an action/development plan as part of the on-boarding process. The on-boarding plan then sets the scene for the ongoing relationship between Ixion and the Supply Chain Partner agreeing frequency of review and expectations from all parties. For example, the supply chain for the HMPPS opportunity consisted predominantly of small voluntary sector organisations and to enable them to fully engage without incurring staff and travel costs, the group partnership engagement sessions were conducted by webinars at all stages of procurement. Feedback (recorded on Go to Survey) was 100% positive with this approach. The same approach was then deployed for BBO due to this feedback. During the Merlin assessment, Supply Chain Partners commented as follows:

*"We attended a number of pre-contracting briefing sessions. We also get lots of information and they're very responsive and quick to update us."*

*"The selection criteria were provided to partners in writing and then they reinforced these in subsequent discussions, meetings and presentations in the lead up to contracting. There was lots of info on what would be expected of both parties and what they were looking for by way of performance."*

*"Everything went through In-tend – I like it."*

*"They've applied for a growth fund, and we are waiting to hear; they are updating us regularly."*

Ixion has continued to listen and act upon a range of feedback received from its supply chains. This is received and captured through Partner meetings, webinars and monthly performance, quality and compliance reviews. An example of how supply chain consultation has informed and influenced systems and processes includes the choice of Management Information (MI) systems and functionality.

In the BBO supply chain, Ixion consulted with the Supply Chain Partners around the models for delivery pre-submission where input such as referral routes being centralised as well as the ability for partners to take on referrals directly were used to inform the proposed solution. In the HMPPS contract, all systems and processes were created through joint working including referral forms and specialist paperwork. Examples from Supply Chain Partners included:

*"Ixion are very good at consultation and are very open and flexible. They consulted with us and allowed us to re-profile, as we had a late start. It's very much a consortium approach to cover delivery in the area."*

*"We get emails requesting input – recently got an email from x explaining there was an issue with exiting the provision, and seeking our opinions on the process."*

*"We are often asked for our input where things aren't happening right."*

There are regular partnership meetings with agenda items to discuss collaborative working within the contracts and to link up and link in other services. For example, on the HMPPS contract one Supply Chain Partner suggested better use of internal budgets for additional staff. There are also examples of co-location between Ixion and Supply Chain Partners in order to reduce costs, and there is also an Ixion offer of providing meeting space in areas of non co-location. The ESF Skills Supply Chain Manager holds weekly conference calls with all Supply Chain Partners where 'blockages' in delivery are shared and Partners can then request support from others to meet customer needs. In the BBO contract, two Supply Chain Partners are working collaboratively whereby one has agreed to deliver a course to customers at the other's premises thus reducing travel to an unfamiliar venue and as a result there have been better attendance levels. Supply Chain Partners confirmed:

*"We don't have our own premises; other partners share their premises and we've worked with some like x, y and z Supply Chain Partners."*

*"We have to work collectively to support the wide range of needs some of our clients present. We can't be too possessive and claim clients as 'ours'."*

*"The partnership days are really useful for sharing good practice and standardisation, for example, there were some partners who were struggling to engage with certain types of employers and Ixion was able to provide advice and other partners shared their own approaches."*

Communication channels and business relationships between Ixion and Supply Chain Partners are clear and understood. There are regular communications by email, phone, Skype and in person. The range of communications ensures clarity regarding 'who does what'. Supply Chain Partners report that the single point of contact with their Contract or Supply Chain Manager is effective. Further comments included:

*"We meet with x and y (Directors) at least annually – I think they want to understand what is happening, it is also another way of raising concerns."*

*"Things have certainly improved; having x as a SPOC (single point of contact) that is accessible and responsive, and gets back to you."*

*"We have a first point of contact within the finance team x, and he's very good; responsive and explains things in lay terms."*

The Contract or Supply Chain Managers work well to foster good, effective and open relationships with Supply Chain Partners and this is demonstrated by the openness of the networks and review meetings where partners are willing to openly share information. The Chief Executive also arranges formal and informal meetings with Supply Chain Partners, particularly at the outset of contracts in order to seek views on relationships to date and contract implementation.

The Ixion view is that Supply Chain Partners are an extension of its own direct delivery and as such should be treated with the same respect, consideration and consultation. Supply Chain Partners talk about the "openness and honesty" in all that Ixion does. It is clear that this is part of the way of working. Further testimony was found as follows:

*"Open discussion with x, always available and accessible."*

*"Open and honest conversations."*

*"Clear expectations of each other now, but we have always had open and transparent discussions."*

*"Transparent, supportive and we have clarity of expectations."*

*"Open and supportive in our experience."*

*"I wouldn't change anything, x provides everything, and is very open and honest."*

*"I have no reason to think they are not open and honest, I believe they tell me what they know."*

*"The team in Stoke is great, clear communications and expectations."*

*"I've always found communications to be very open and honest, even at performance meetings, nobody shirks from the truth. It helps that everyone at Ixion are very people focused."*

## **2b) Developing Supply Chain Partners**

Ixion staff explained that they support the development of Supply Chain Partners. There are many examples of Supply Chain Partners being supported to develop policies that are fit for purpose which has enabled success in working with other Prime organisations. Staff also often provide informal advice to help Supply Chain Partners develop, for example, assisting a charity to ensure its accounts are fit for purpose. The success of ongoing relationships between Ixion and its partners is primarily driven by the skills and experience of the Supply Chain and Contract Managers. Other support examples include marketing checks, advice on business continuity planning, quality assurance support and financial management and forecasting advice. Supply Chain Partner testimony in this regard included the following:

*"We've received more support than most – especially around developing policies and procedures. We've had support to develop a Project Manager role and that's made a huge difference."*

*"Through their advice and guidance, we've been able to help us grow as a business, e.g. by improving communications and standardisation. We're more robust now in terms of paperwork and we're more productive. The performance reviews also provide food for thought in terms of how our own organisation can continue to develop."*

*"They've also put things onto the Portal related to the changes coming to the Data Protection next year."*

*"We did an 'Onboarding Plan' when we first started, and this went into more detail than we'd provided during procurement and due diligence. This would have highlighted if we needed any business support."*

*"X gave us feedback on our SAR and advised that a target of 'ongoing' is inappropriate and a date should be put in whereby things will be reviewed."*

*"Really helped us to do our action plan for environmental sustainability – gave us some great advice in terms of measurements; like moving from paper-based to e-portfolio."*

Staff confirmed that *"The action plans we've worked with partners on (exit process) have looked at cost reduction techniques and minimising utilities. Partners have also looked at social sustainability, leading to clients reporting healthier eating and improved mental wellbeing in some cases."*

Supply Chain Partners are assisted to develop their business propositions by communicating about funding and partnership opportunities. There are numerous examples of Supply Chain Partners winning further new contracts both with Ixion and with other organisations. Ixion is also supporting one Supply Chain Partner to build capacity to become recognised as a Prime in its own right. Of particular note was the support provided by Ixion in February 2016 when the ESFA confirmed that all subcontracting of Advanced Learner Loans would cease in July 2017, and therefore during the 2016/17 contract the SFA stopped all growth requests. Supply Chain Partners were informed of the situation and signposted to look into alternative funding streams to support the delivery of programmes that may otherwise have been funded through Loans. A number were successful in gaining a direct contract from the ESFA for Loans provision, in some other instances some were supported to gain Adult Skills Budget (Classroom Funding) via Ixion or other Primes.

Ixion supports and encourages the development of all Supply Chain Partners. This includes providing training and support for Supply Chain Partner staff. This has included systems training, a wide range of webinars and access to Ixion courses, such as mental health first aid and personal coach training. The SCMF standard review template contains a section on 'People', stimulating Supply Chain Managers to have a discussion during reviews which includes staff development and training. An example of a measurable improvement was the training provided to one Supply Chain Partner in how to improve acceptance rates which then enabled acceptance on first submission rate to rise from 24% to 74%. Supply Chain Partners shared that *"The training was provided as a webinar, but that was no good for us, as my admin team are all deaf; so Ixion provided a specialist trainer and we used a translator and they came to us and did a one off session for us"* and *"We've had systems training as part of our on-boarding and we've agreed that they (Ixion) will repeat this for our new staff. We've also had some good training on the Outcomes Stars."*

## 2c) Contracting and Funding

Ixion has managed processes and procedures to support procurement effectively in line with the requirements and expectations of the commissioners. Ixion is active and open about encouraging prospective Supply Chain Partners to come forward. Its procurement process commences with the preparation of both research and consultation with potential Supply Chain Partners, by way of events and briefing sessions. The 'Partner with Ixion' Handbook and SCMF promotes innovation throughout the procurement process to ensure that competition for partners is fair and transparent and open to join at any time. A pre-approved status is available to interested partners and this ensures that Ixion is able to respond quickly to specific funding opportunities for contracts across the sector. As described, Ixion has hosted a number of mini procurement exercises through the Intend E-tendering module (since purchasing in January 2017), inviting applications to join its supply chain for specific funding opportunities. Scoring is undertaken by an assessment panel against predetermined criteria (shared on the specification) and for those selected to become part of the supply chain there is a robust due diligence process. An illustrative comment was *"Very, very organised in comparison to others, very clear expectations all the way through"* and *"I felt the tender exercise was very fair and robust. The selection criteria were clear from the outset and were reaffirmed at the various meetings."*

Individual contract negotiations are held with Supply Chain Partners at the start of the process to determine whether Ixion's terms meet their requirements, however the large majority of end-to-end subcontract funding arrangements reflect those of the commissioners' funding models (largely

payment by results contracts), and therefore the requirements within the funding agreements are passed down or mirrored to the supply chain.

With specialist Supply Chain Partners, Ixion agrees the frequency and price as part of competitive dialogue and pays for the interventions on mutually agreed terms. The 'Partner with Ixion' handbook sets out how financial terms are agreed. The Service Level Agreements for ESFA Skills provision have payment terms within 30 days of invoice as required by the ESFA funding rules, thus ensuring Supply Chain Partners suffer no undue financial risk. Supply Chain Partner comments included *"We are contracted to deliver training courses to the values of £x to x participants – it's clearly explained in the contract."*

As part of the procurement process, a series of contract implementation and on-boarding meetings are held with confirmed delivery Supply Chain Partners to outline the contractual obligations in line with obligations of Ixion to meet the commissioners' requirements. Once Ixion has received the contract from the commissioner, this is then forwarded to corporate solicitors to produce a 'mirrored down' Service Level Agreement, ensuring that all contractual requirements placed on Ixion are also passed on to the supply chain in a clear and concise format. Ixion also ensures that any subsequent variations received from the commissioner are also passed on to Supply Chain Partners to ensure full contractual compliance. Ixion endeavours to have Service Level Agreements issued and signed prior to the commencement of the delivery /go live date and allows sufficient lead in time for Supply Chain Partners to seek any legal or third-party advice. Within the SCMF, Ixion states that if a Supply Chain Partner requires advice on the terms and conditions of the agreement, they will be signposted to a third party to gain independent analysis and guidance on the agreement. Supply Chain Partners confirmed this, for example one confirmed that amendments to their agreement were seen as reasonable requests and revisions were made to the service level agreement (SLA). Comments included:

*"It's an ESF contract, so very lengthy, but Ixion are very good at reading and interpreting for us and that's a big help, especially as Big Lottery just refer us to their guidance, which is not much use."*

*"The SLAs are very good and you can always refer to the Partner Framework, or just ask your contract manager at Ixion, if you have any questions, or concerns."*

Ixion continues to seek funding opportunities where the delivery model is a combination of both Ixion direct delivery and Supply Chain Partner delivery. The market share is determined by a number of principal factors which include track record, partner expertise, geographical delivery and capacity for growth. Staff described how market share was discussed as part of the bidding activity and then negotiated with each potential Supply Chain Partner organisation based on the contract or project requirements. Post contract there are examples within the supply chain of negotiations taking place to move market share to support successful delivery partners; however, Supply Chain Partners are not advised on the corresponding market share changes as a result. Supply Chain testimony included

*"They did share the market split initially, and that's really useful in the area where there are multiple providers."*

*"The market share was made clear at the start – very transparent."*

*"We have 3% of learner starts, its transparent and in line with the LEP expectations."*

*"We have capacity to take on two new clients a month in each area."*

*"The end-to-end are expected to refer 80% of participants onto the specialist providers, and we should gain 30% of those referrals."*

*"We were clear at the start but after numerous variations, this is not as clear now."*



At the point of contracting with Ixion, Supply Chain Partners agree the payment profile, which varies between contracts as some entail a payment by output or payment by profile element. For spot purchase Supply Chain Partners, a rate for the service is agreed. Supply Chain Partners confirmed that Ixion has been sympathetic to contract variations and has adjusted fee and re-profiling to support their delivery. For example, during the planning phase for the BBO projects, all prospective Supply Chain Partners were invited to meetings to agree proposed roles, activities, services and provided with full guidance on costings.

The payment by results model used by the majority of commissioners determines the payment structures which are directly mirrored to the Supply Chain Partners. Ixion seeks to pay Supply Chain Partners' invoices within seven days of receiving the funds from the commissioner, provided all the prerequisites have been met by the Partner regarding evidence of claim/activity. Staff commented that *"We've tried to help a couple of smaller partners who were struggling to meet their wages bills, by offering same-day payments to help them get their money earlier, providing they agreed to cover the additional costs."* Supply Chain Partner testimony included *"We put what we thought we could deliver into our bid to Ixion and we then negotiated on things like starts. We actually ended up with 10% more starts than we originally bid for as a result of the guidance we received from Ixion, showing us how higher numbers could be achieved. I'm glad to say, they've been right so far"* and *"We've used all our allocations, so going to approach them with a growth plan."*

The invoice and payment process is clearly set out and understood by Supply Chain Partners who judge the process fair and accurate. Comments included:

*"Where payments have been agreed, these are always on time and in line with what was agreed."*

*"We've had no issues as Ixion are one of the best on-time payers of the Primes we work with."*

*"We have a quarterly invoicing system through Egress and there's been no issues so far. They actually allowed us to put a claim in for Q2, even though we hadn't started any clients at that time. That helped us to cover staff costs for those we'd recruited to deliver the programme."*

*"They're very good, cash flow is everything to a small business, if I call x he will make sure I get a same day payment, and not have to wait for the three-days BACS."*

The management fee is agreed at pre-contract negotiation stage and formally incorporated into the contract offer. Ixion is contractually obligated by the ESFA to publish its Supply Chain Policy and Fees on an annual basis on its website. The approach to management fees is also described in the 'Partner with Ixion' handbook which outlines in the broadest sense what Partners receive for their money. In September 2017, Ixion surveyed Supply Chain Partners to seek their views on the management fee and the value for money of the services provided. The key findings were that out of the Supply Chain Partners that responded to the survey, only 6.25% were not aware of the management fee and that 75% agreed that the management fee was at the right level. Supply Chain Partners confirmed that Ixion is transparent about the support it provides for the management fee levied. This includes the overall communications and negotiations with commissioners, provision of and support for the MI system, management of the payments, contract management, and support and training for Supply Chain Partners.

### 3) Conduct

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

Ixion's Vision and Values are illustrated in the 'Partner with Ixion' Handbook along with a statement that it seeks to grow supply chain networks with organisations that will complement and support this. Ixion's procurement processes have been revised to include a specific section on how organisations complement and support its Vision and Values. Additionally, Ixion strives to share common core values with all Supply Chain Partners and these are reinforced through all interactions such as network meetings, one to ones and performance meetings. In order to develop this area further, Ixion may wish to consider how to develop the mutually agreed core business principles into the contract management and review processes for Supply Chain Partners and rate their performance against the principles. One Supply Chain Partner commented that *"Their values are very clear in all that they do and the attitudes of staff. They're very clear on what they can and can't do and are a lot better than the other Primes we work with in this respect."*

Ixion has significant experience of TUPE in and out with support of internal HR experts and has successfully managed the transfer of staff between organisations effectively. There have been a number of well managed TUPE activities since the last Merlin assessment. Staff transferees confirmed that there have been consultations, regular meetings and frequent discussions/emails to make transitions as seamless as possible and to maximise retention as follows:

*"Ixion kept me informed at every stage, nothing that they could have done differently or better."*

*"Ixion tried to ensure we felt welcome, things were in place; the induction, contract, equipment and log-in details."*

All Supply Chain Partners reported on supportive and positive relationships and interactions with Ixion. See section 2a and other examples throughout this report. Supply Chain Partners noted that the single point of contact is responsive and helpful. There has been increasing use of the In-tend portal by Ixion and all Supply Chain Partners for the transfer of documentation and correspondence which ensures transparency and a clear process for tracking of all communications. Strong Supply Chain Partner feedback was given:

*"Really positive and professional relationship."*

*"Ixion are far more amenable than at the start, with greater clarity of expectations and the way we work, the relationship has become far more positive."*

*"A good provider, we work with 12 others and Ixion are in the top."*

*"Really good, supportive, no problems at all."*

*"Really supportive in their communications. We have had challenges with things like performance expectations, but they've always responded positively and quickly resolved things."*

*"I've found Ixion staff to be really supportive and helpful so far. They seem to do their utmost to resolve any situations and get back to you."*

*"Very supportive and positive."*

*"We had an Exit Review and that was really useful. We looked at our performance, achievements, successes, etc. We agreed a follow up in 3 months' time. I'd certainly work with Ixion again."*

All Supply Chain Partners interviewed confirmed they receive updates on various topics relating to legislative policies and procedures about contract compliance through email correspondence and in the meetings with Contract or Supply Chain Managers. Ixion has an extensive portfolio of legislative policies with supporting procedures which are reviewed and updated on an annual basis according to statutory/legislative changes and requirements. Ixion also shares any appropriate professional bulletins and newsletters or resources that support the development of safeguarding, diversity and equality (D&E), and health and safety. After the tragic Grenfell Tower fire in June 2017, the ESFA sent online questions regarding residential delivery sites and those above four storeys high and whether they had any external cladding to assess the risk to all Prime organisations. In order to satisfy itself as a Prime organisation, Ixion also replicated this survey asking Supply Chain Partners the same questions. The action of sending this survey and following support was well received. Supply Chain Partners confirmed that:

*"We get updates at partner meetings and through emails and we discuss in our performance reviews."*

*"If ever I want to know anything I'll either go on In-tend, or just ask my Contract Manager (Ixion). We usually get an update of some policy or legislation at our partner meetings."*

*"In the monthly meeting with x we talk about policies and procedures, updates from ESFA and the LEP, as well as delivery and future strategy."*

### 3b) Quality Assurance and Compliance

The Supply Chain Management Framework and its tools take into account the review of Performance, Quality Assurance and Compliance of Supply Chain Partners. Since the last Merlin assessment there has been greater balance between quality and compliance activities with more dedicated staff resources being made available. Examples of improvements to quality and compliance activities include a new 'dip test' process being introduced from 1<sup>st</sup> August for the Skills and NEA provision. Through the ESF Contracts, a new Form Capture Application system for learner registrations and 'on programme' management has improved compliance. On the DWP ESF NYER contract, the Quality and Compliance Manager carries out checks on a sample of customer files every month to ensure the paperwork in place is meeting the ESF guidance issued by DWP. Since June 2017, DWP has been carrying out audits and from the first three audits, Ixion has been rated as Green - achieving above 95% success rate on all three occasions.

All outcomes of Quality Assurance monitoring - whichever division or contracts of delivery - are captured by the Supply Chain or Contract Manager and these are uploaded to the In-tend Portal, so are visible to both Ixion and the Supply Chain Partner. Supply Chain Partners related that the findings of quality assurance activities have helped them improve their processes, procedures and paperwork. An example of quality assurance improving service for the customer was seen in feedback given to a Volunteer Mentor in developing their approach. Observations of teaching, learning and assessment are routinely undertaken and provide Supply Chain Partners with support and assurance. Ixion staff commented that *"We found one partner who wasn't analysing feedback data robustly enough and another who hadn't updated In-tend. We fed this back and saw an instant improvement"* and *"We've implemented a number of process changes e.g. approaches to maintaining accurate client records and claim submissions."* A Supply Chain Partner spoke of *"As a result of compliance activities the main finding is the ID of learners missing, so we are constantly reminding staff."*

Supply Chain Partners are aware of the importance of ensuring any Information, Advice and Guidance (IAG) they provide is accurate, up to date and impartial. All Supply Chain Partners interviewed confirmed that they are accredited to the **matrix** Standard. Ixion holds the **matrix** Standard and is committed to operate within the spirit of the elements that underpin the standard. During due diligence, Ixion continues to ask to see evidence of **matrix** Standard accreditation which is then recorded on the In-tend Portal and due diligence scorecard. As part of quality assurance, observations are undertaken of all customer/learner interactions that will include delivery of IAG. Ixion itself provides good IAG to Supply Chain Partners as commented in during the assessment - *"Ixion provided us with so much information at the Skills Conference, which put things into context regarding the apprenticeships and the way forward"* and *"Ixion are really great at giving us IAG and support so far. I've always found it to be accurate and up to date and provided almost instantly whenever they can."*

Ixion has a data consent and information sharing policy that it implements across all aspects of its work. Ixion has an Information Security policy framework based on the requirements of ISO27001 and is seeking full accreditation by mid 2018. Contracts exchanged with Supply Chain Partners include requirements aligned to Ixion's own policy and/or those of the commissioner. Data security is robustly checked at the start of contract delivery and during the life of the contract. A recent investment has been made in a new data security system that will support General Data Protection Regulation (GDPR) requirements and assure data security yet further. Supply Chain Partners confirmed *"We had face to face training initially and we've had really good support from Ixion staff, who helped us to create a data policy"* and *"In addition to the initial checks, we also get monthly checks by Ixion. They look at both the physical side of data security and that the authority is given by participants for data collection and sharing."*

Expected standards of behaviour are articulated through policies and procedures including those relating to lone workers and health and safety which are robustly considered as part of the due diligence process and any updates are notified via the Supply Chain Manager's monthly meetings. All these documents are stored in the Ixion Gateway documents repository. It is a contractual requirement that any health and safety incidents are reported, investigated and managed by Supply Chain Partners. As part of the cycle of Supply Chain Partner observations and quality reviews, Supply Chain Managers will look at office/training locations to ensure notice boards display insurance, fire certificates and so on, in addition to dip testing accident reporting information.

Ixion has a strong and robust safeguarding policy and procedure which has been updated this year based on feedback from the recent Designated Safeguarding Officer Level 3 Training and best practice. Safeguarding policies and procedures are a mandatory element checked during due diligence to ensure they are at least commensurate with Ixion's own policy and procedures and include references to the Prevent Duty. Also as part of the new partner on-boarding procedure, the Supply Chain Manager is required to complete a Safeguarding Risk Assessment. This builds upon the early work done for due diligence and ensures that all operational Safeguarding points are underpinned. Safeguarding is a standing agenda item on all monthly and quarterly performance reviews with the Supply Chain or Contract Managers, and Supply Chain Partners are required to report on any Safeguarding incidents. As part of its commitment to developing Supply Chain Partners, Ixion has hosted safeguarding and Prevent webinars and signposted Supply Chain Partners to opportunities for free online training.

Environmental sustainability has been an area of focus since the last Merlin assessment and there is now a specific Supply Chain Partner zone on the Ixion website that outlines both environmental sustainability and diversity and equality objectives. In September, Ixion updated its own plan with a progress update and this was shared with Supply Chain Partners for their information and discussion at the monitoring reviews. Supply Chain Partners are required to submit their environmental/sustainability policy as part of the due diligence and then annually refreshed to maintain their approved partner status. There have been webinars delivered on sustainability for Supply Chain Partners. Comments during the assessment from Supply Chain Partners included:

*"We've had support with our sustainability plan, and this has ensured that the targets align to those of Ixion."*

*"X helped us with the sustainability action plan and setting targets like moving to electronic delivery as opposed to paper, which is what Ixion are driving, as well as regional delivery by assessors as opposed to extensive traveling to reduce the carbon footprint."*

*"To reduce the use of electricity by 5% by July 2018."*

Ixion highlights good or excellent practice during individual conversations or meetings with Supply Chain Partners as well as now having an Annex to the SCMF to support the Contract and Supply Chain Manager in defining good and excellent practice within the regular review meetings. There are also exemplar documentation samples shared with Supply Chain Partners that they greatly value.

### 3c) Honouring Commitments

Pre-contract communication with potential partners continues to take place in a variety of ways, for example, with groups of potential partners, in meetings with individual potential partners and via e-mails and telephone calls. These discussions include negotiation around quality, value for money and delivery. The formality of discussions depends on the size of the contract and the specific requirements of the commissioner and these requirements are made clear to partners at pre-contracting stage and reiterated or updated throughout the life of the contract. Supply Chain Partners also shared a number of examples of post-contract negotiations where they had been able to negotiate an increased offer and/or some re-profiling or re-allocations. Comments included:

*"Absolutely no question that Ixion honour agreements all the way through – they're really quick at getting back to you if they don't have the answer immediately. They also share their models, for example on Environmental matters and we discussed at a partner meeting."*

*"One of their strengths – really good at honouring what's been agreed. Everything is in black and white and very clear."*

*"I'm happy that all commitments and agreements have been honoured so far and that includes re-profiling and payment of claims."*

Whilst there is a dispute resolution process outlined in all SLAs and contracts, Supply Chain Partners felt the relationship with Ixion would mean that informal methods would be their preferred initial option. Both the Ixion website and the SCMF include a Merlin Complaint and Dispute Resolution Process. To date, Ixion has not had cause to initiate the support of any mediation services, however it acknowledges the benefits of using a mediation service where there are unresolved disputes and would therefore respect the decisions of the Merlin Mediation Service.

Within the different supply chains led by Ixion, there is an understanding of what each party is and should be doing. Delivery plans ensure that both Ixion and its Supply Chain Partners are still honouring what was agreed prior to contracting. Supply Chain Partners confirmed that they are clear on expectations during the life of the contract. Comments included:

*"Ixion have a very grown up approach, we have common goals and the targets and expectations are shared."*

*"It would be nice to know others' targets and performance throughout the contract, so that we could see how the supply chain is doing as a whole."*

*"Partner meetings are useful for understanding what others are doing, it's not a name and shame session which I like. We use the performance meetings to talk about any weaker areas."*

*"The SLA makes things very clear and we discuss expectations frequently both with Ixion and as a provider group."*

*"Current expectations are very clear on both sides and we're reactive enough to respond to any calls for immediate action, for example when additional funds become available."*

### 3d) Performance

There are numerous examples of supply chain design contributing to collaboration; for example, BBO supply chains (which heavily lean towards the third sector) have been encouraged to look at co-location opportunities with other Supply Chain Partners in the area. Supply Chain Partner network meetings and workshop events are openly transparent in terms of sharing performance data, using the data to plan improvements whilst at the same time identifying improvements to the delivery plans to drive performance. Supply Chain Partner comments included:

*"We work very much as a partnership, from large organisations to small businesses, like the specialists who work across a number of districts to better support the end to end providers."*

*"We worked together to deliver a course at our premises so that participants could remain in familiar surroundings. They also felt that participants should not be working with people with other needs. It worked so well that another Supply Chain Partner is thinking of doing the same thing."*

*"The partner forums allow us to work with other providers, for example, we all got together to have a look at all the new publicity and materials they were looking to introduce, and we gave feedback to Ixion on those."*

The Ixion Supply Chain Management Framework has been in operation since February 2015 and has been developed over this time to the current Version 8 (published July 2017), and the processes for the management and monitoring of Supply Chain Partners was found to be well embedded. Contract and Supply Chain Managers are available to all their allocated Supply Chain Partners on a daily basis to respond to any issues that arise. Monthly and quarterly performance reviews are conducted following the SCMF guidelines (frequency as per their Monitoring Scorecard RAG rating) and support is provided on performance, quality and compliance; there are also opportunities to identify and support innovation and good practice. Supply Chain Partners confirmed that:

*"We share our challenges and issues, as well as our successes at the forum meetings."*

*"Encouraged to raise issues sooner rather than later."*

*"We've been on a PIP until very recently and we've had weekly phone calls with our Ixion person and she's come out monthly to do a more extensive review. We've always found her to be really supportive and she's helped to bring us round."*

*"We meet monthly to discuss performance. Some early difficulties have been resolved through re-profiling in a very sensible and practical way."*

*"The monthly review meetings are very open and we can discuss any issues and concerns we might have, for example in reconciling the performance figures."*

The SCMF sets out a very clear framework for procuring, awarding, managing and monitoring partners which is driven by Ixion's ambition to ensure all partners will strive to deliver a high level of service to customers and ensure that any issues are identified and that there is no unsatisfactory provision. Partners gave positive feedback on the openness and content of these performance meetings, describing how Ixion works closely with them to measure, monitor and manage the work they deliver so that they can achieve high quality outcomes. For example, *"The contracts and partner meetings, as well as the performance reviews all make expectations all very clear"* and *"The SLA is very detailed and we discuss things like volumes, claims and such like at the performance reviews. We also discuss boundaries and the need to avoid poaching in other partners' areas."*

The MI system used in each contract or project varies according to the funding and contractual requirements. MI Reports are shared with Supply Chain Partners through the Portal - either into Document Storage or via Correspondence attachments. Supply Chain Partners confirmed that the systems they use are robust, easy to use and provide good data. Supply Chain Partners also commented on the good levels of training and support provided by Ixion.

Ixion is conscious of its commissioners' contracting commitment to be able to demonstrate 'value for money' throughout the delivery life of a contract, and it has therefore built this concept into all aspects of negotiations and contracting processes with Supply Chain Partners. It is also defined within the latest version of the SCMF - a Guide to Assessing Value for Money within its Supply Chain Partners - using the National Audit model which uses the three criteria of Economy, Efficiency and Effectiveness of government spending, with a worked example. It is also included in the Monitoring Template as a prompt to discuss examples of value for money (VFM) with Supply Chain Partners at review meetings as well as part of the exit review process. Comments included:

*"I think the arrangements provide value for all involved. Ixion seem to vet participants better than most, so they have a high attendance rate, so they get what they pay for – better than most. The payments cover our costs, so we're happy with that and the participants benefit."*

*"We need to make sure we cover our costs of delivery at a reasonable level and, generally speaking, this we do. The participants clearly benefit, and you can see them progressing, so that DWP are also benefitting."*

*"We provide the course, as required, but also use our wider networks and signpost learners to agencies/organisations that support ex-offenders into employment – it provides them with access to the next stage."*

*"We also help with their university applications, including personal statements, provide after-class activities; non-contact boxing and football, breakfast club, access to their own PC, which are all incentives to keep them on programme and it works."*

*"We ensure that every learner leaves with a CSCS card, which is needed to get a job, if they fail first time we'll support them to sit it again."*

*"We've only seen 15 participants, but can demonstrate the reduction on debt already."*

Since the introduction of the Ixion Supply Chain Management Framework, there is now a uniform set of principles in which performance management is conducted and this drives improvements with Supply Chain Partners. All Supply Chain Partners described the importance they place on measuring the progress of clients. This is particularly the case for the BBO supply chain in measuring progress towards employment.

Methods used across all contracts vary depending on the requirements of the commissioner, and include data collection, case studies, client feedback and progress towards or sustainment of education, employment or training. Supply Chain Partners commented that *"Participants are only here for a week, but even in that time you can see a change in most people, often in their motivation"; "We use both the Outcome Star and MWS. We also have our own system and they all capture participant progression on a personal level" and "The individual reviews, progression data and learner surveys all confirm that clients are developing personally as well as achieving positive outcomes."*

### 3e) Promoting Diversity and Equality

Ixion ensures that every Supply Chain Partner has a D&E policy as part of due diligence and this is then checked annually to ensure the Partner maintains their 'Approved Status' during the life of the contract. The content of policy is checked by the Policy Champion to check that it is at least commensurate to Ixion's own policy which is made available to Supply Chain Partners as a template to develop their own policy should this be required. Ixion's D&E objectives are also communicated and available to the supply chain through the Partners area of the Ixion website. Supply Chain Partners confirmed this as follows:

*"This is checked as part of due diligence and Ixion look to make sure we're at least on a par with them." "It's in the contract and is a standing item in our performance review meetings and the partner meetings. Any shortfalls would be identified, but nothing so far, as we've had low customer numbers so far."*

*"We have an EDI policy and now working with Ixion on an action plan."*

Client / learner data input into the MI systems includes contractual diversity and equality categories such as gender, race and disability. Different contracts have targets to work with the most disadvantaged customers from specific priority groups. In other projects and bids there are specific targets for representation of minority ethnic young people and representation of male and female participants. As part of a series of thematic Supply Chain Partner webinars, one of these focused on supportive ways to embed D&E in to Teaching and Learning. D&E is also monitored through graded observations (in Skills) and fed back to staff. Supply Chain Managers will also be working towards setting Equality & Diversity Impact Measures (EDIMs) with Partners based on participation /cohort data.

Data about D&E is monitored and shared with Supply Chain Partners who respond accordingly to ensure actual participation within the project reflects the requirements of the commissioner. D&E data is captured and shows participation by cohort and can also track achievement and outcomes for learners/clients by cohort. From this data, supply chains are able to identify areas for improvement in both widening participation and narrowing the achievement gap by contract. For example, the HMPPS contract has target demographics such as females, ethnic minorities, disabled/health conditions, over 55s, and 24 and under. On the BBO contract, D&E data has been used to produce targeted marketing materials to increase engagement from particular groups.

## 4. Review

### 4a) Supply Chain Review

Ixion collects feedback from a wide range of stakeholders such as customers, Supply Chain Partners, staff, Local Authorities, LEPs, third sector organisations and JCP Partnership Managers, as well as its new parent The Shaw Trust and all its commissioners. This is received through formal contract review meetings as well as national and local networking events. In the new world of Levy and Non-Levy Apprenticeships, employers are now also very much viewed as stakeholders as well. Supply Chain Partners confirmed that feedback from stakeholders is shared and helps them in successful contract delivery.

Ixion has its own Group Quality Improvement Policy and it produces an annual Self-Assessment Report (SAR) and Quality Improvement Plan (QIP) to improve the quality of service. The SAR process is an organisational process that encompasses feedback from all internal support and delivery departments, customers and Supply Chain Partners. Supply Chain Partners are requested to upload their latest SAR and QIP as part of due diligence, and in the Skills Division these are reviewed and feedback given for improvement. The overall Ixion SAR is then validated through the Ixion Main Board before being finalised and released to all parties, as required and appropriate. Supply Chain Partners' understanding of their contribution to the overall process does vary and Ixion may wish to reflect on this. Supply Chain Partners commented that *"Last year the focus was on embedding safeguarding, Prevent and the British values"* and *"Our SAR and QIP, feeds into that of Ixion, though we don't always see it directly, also the provider meetings seek our feedback."*

Supply Chain Partners interviewed were aware of the wider policy and strategies of commissioners. Supply Chain Partner network meetings are the platform by which Ixion shares the majority of information on wider policy and strategy and to ensure alignment with the wider social objectives. This is a two-way process and Supply Chain Partners are encouraged to share information. The In-tend Portal is also used as a conduit to make timely and consistent communications regarding wider policy and strategy. For example, on HMPPS there is a lot of change in the justice sector with the realignment and restructure of the prisons and issues with funding post Brexit.

As a Prime contractor, Ixion recognises its contribution, and those of its Supply Chain Partners, to the various commissioners and the need to demonstrate value for money in a funding system based on quality of outcomes. Ixion has indicators that are a measure of commissioners' wider social objectives inclusive of the supply chains' contribution towards, for example, gaining and sustaining employment, improvements in adults' skills and addressing poverty and homelessness. Key impacts in 2016/17 were that Ixion and its Supply Chain Partners improved the lives of 17,000 people; 7,083 gained new skills and qualifications, 389 moved into employment and 1,500 were supported into self-employment. 5,151 offenders were supported with vocational courses and 154 into employment opportunities. Importantly, these results have been analysed further through a Social Return on Investment tool and Ixion and the work of its supply chains can demonstrate that for every £1 invested in communities, there is a £1.87 benefit. Supply Chain Partners commented that:

*"We reduce homelessness by providing ex-offenders with somewhere to live, provide support and stability and as a result our re-offender rate is 2.2% over a two-year period."*

*"50% of businesses were still trading three months later; giving back to the community."*

*"We worked with a local Housing Authority, took tenants as learners, gave them the knowledge and skills for basic maintenance to do work on the premises; six went onto permanent employment with the Housing Authority and others have gained employment elsewhere."*

Since the last Merlin assessment, Ixion has gone on to further develop its supply chain design as new opportunities have arisen with both existing and new commissioners. It has successfully introduced the In-tend E-tendering module for mini competitions earlier this year, which has led to real-time funding opportunities hitting a wider audience, with a robust evaluation process for the selection of new Supply Chain Partners. The outcomes of the various processes and mechanisms to review and develop the supply chain have given rise to changes, including the loss of organisations from the partnership and the introduction of new organisations with different delivery methodologies.

The design and activities of the various supply chains has had a positive impact on wider social objectives such as criminality, homelessness, poverty, customer health and wellbeing, and employability. This is seen most clearly through the BBO supply chain which includes a number of new types of Supply Chain Partners not previously engaged, such as housing associations and national charities focused on supporting offenders. Ixion and Supply Chain Partners also have excellent links with local organisations that support employability customers with information on health, wellbeing and fitness, and through effective signposting, customers are directed to organisations that tackle issues such as smoking, diet and other health-related issues that customers may have. Supply Chain Partners comments included:

*"Ixion invited all its partners to the CFO3 awards ceremony and nominated us; other Primes failed to do that!"*

*"95% of participants completed the Enterprise Qualification, which gave them additional skills."*

*"It provides learners (ex-offenders) with a level of self-belief and hope for the future."*

*"Recognition of a young apprentice and employee at the recent Skills Conference hosted by Ixion."*

*"Two learners have gained employment with us."*

In May 2017, Ixion committed to becoming a 'Living Wage' employer to address working poverty and strengthening families; as part of this Supply Chain Partners are also asked to commit to the process. Furthermore, Ixion and its supply chains support local sustainability through developing skills, leading to local jobs for local people and working on projects that create environmental sustainability.

## 7. Conclusion

Since the previous assessment it was evident to the assessment team that Ixion has taken on board the previous feedback and has developed a more professional and structured approach to supply chain design and commitment.

This review assessment confirmed that the fundamentals of excellent supply chain relationships such as a culture of openness, trust and excellent working relationships remain very well established as strengths of Ixion.

This assessment provided the opportunity to review the Ixion practices for the current contracts and projects against the Merlin Standard and consequently, if it gained other contracts whereby a supply chain was used to deliver the service, consideration should be made to the requirements of the commissioner against the Merlin Standard. The senior leaders should be mindful that any change or additional contracts - for example a new contract using a significant supply chain - may require a strategic review to ensure the organisation continues to operate in line with the Merlin principles.

In November 2019 Ixion will be expected to undertake a further assessment against the Merlin Standard in order to retain the accreditation. However, due to the commitment to continuous improvement, consideration could be made to a continuous improvement review being undertaken in November 2018. The purpose of the review would be to establish progress made against the areas recommended for further improvement following this assessment.

Assessment Type	REVIEW
Assessor's Decision	STANDARD MET
Lead Assessor's Name	SUSAN SMITH
Visit Date	27/11/2017 - 30/11/2017
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