



merlin standard

2018

**ADVANCED PERSONNEL
MANAGEMENT GROUP (UK) LTD**

COMPACT REPORT

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1. KEY INFORMATION

Assessment Type	REVIEW
Assessor's Decision	STANDARD MET
Anniversary Date	17/05/2020
Assessment Dates	15/05/2018 – 17/05/2018
Lead Assessor's Name	SUSAN SMITH
Customer ID	C10407
Assessment Reference	PN103380

2. ASSESSMENT OUTCOME

OVERALL OUTCOME	80% Good
1. Design	90% Excellent
2. Procure	90% Excellent
3. Contract	80% Good
4. Fund	60% Satisfactory
5. Develop	80% Good
6. Performance Manage	80% Good
7. Quality Assurance and Compliance	80% Good
8. Review and Close	80% Good

3. METHODOLOGY

Advanced Personnel Management Group (UK) Ltd, hereafter known as APM, continues to be mandated by Department for Work and Pensions (DWP) to be accredited against the Merlin Standard due to being a delivery Partner (Prime) for the Work Programme. APM also has a number of other supply chains as a result of contracts with various other commissioners and these are also included in the scope of the Merlin assessment. Organisations that hold the Merlin Standard are required to be re-accredited every two-years and consequently APM came forward for re-accreditation in line with the anniversary date.

The assessment team comprised of Susan Smith (Lead Assessor) and Janette Russon (Team Assessor) supported by a coordinator from within APM. The Lead Assessor started to work with the coordinator in January 2018 to establish the scope and discuss the logistics of the assessment. The dates for the on-site were identified, and a plan of action agreed.

A booking form was submitted to Assessment Services Limited along with a spread-sheet indicating a full list of Supply Chain Partners; past, present and potential delivering an end-to-end service (Tier 2) or specialist intervention activity (Tier 3).

In advance of the Assessment a survey was carried out of the Partners, all 59 being invited to participate. Responses were received from past, present and potential Supply Chain Partners, which represented 41% of the total. The results of the survey informed the focus of interviews for the assessment team and contributed to the overall scoring.

The Lead Assessor was in regular contact with the coordinator before the on-site activity to review the schedule and logistics. All documentation required for the assessment; Self-Assessment Questionnaire (SAQ), Pre-Assessment Notes (PAN) and interview schedules were shared in line with the agreed timescales to enable the assessment to take place as planned.

The assessment team spent a total of 2.5 days each reviewing documentary evidence and undertaking interviews with APM staff involved in the strategic and day-to-day management of the supply chains. 30% of the Supply Chain Partners were interviewed in line with published Merlin scoping framework with consideration made to all Supply Chain Partners irrespective of whether DWP commissioned the contract being delivered. Interviews were conducted with a wide range of Partners; end-to-end, specialist intervention, as well as past, present and potential across all contracts.

The following report provides an indication of the findings against all the criteria within the Merlin Standard, which was evidenced across all the supply chains referenced below, as well as areas of strength and areas to consider for development over the forthcoming two-years.

4. ABOUT THE ORGANISATION

APM is a people business with a head office in the Newtown area of Birmingham. It operates from 19 sites across the UK as well as delivering peripatetic services to clients. It is owned by Australia APM.

Its mission is "*enabling better lives*", and this is supported by values known as 'icreate' – standing for integrity, customer focus, respect, empathy, achievement, teamwork and enthusiasm. The business is split into four distinct operations strands known as Pillars. These are:

- the Youth Pillar which is the delivery of National Citizen Service (NCS) programmes to young people aged 15 – 17 years old funded through the NCS Trust
- the Justice Pillar which is the delivery of education and training to clients who are in prison or on probation funded through the Ministry of Justice
- the Employability Pillar which is the delivery of employment related services including the Work Programme funded through the Department of Work and Pensions, and
- the Skills Pillar which is the delivery of apprenticeships and classroom based programmes funded through the Education and Skills Funding Agency (ESFA).

Since the last assessment in 2016, there has been a considerable amount of change within the business. This has included changes to the senior management team, a major cost reduction programme and investment in the business through a private equity fund. A number of staff have left the business as part of an extensive re-structuring programme. In the last year, a new Director of Sales and Marketing has been appointed, who commenced a review of the supply chain management framework and has re-vamped the APM approach to bids and partnerships.

In March 2018, a new Head of Quality and Compliance was recruited. He has started to review and develop the quality frameworks with a clear focus on the client journey and reporting on performance to the new Quality Board. This new forum is attended by senior managers and has been developed to be a key driver of quality improvement across each of the four Pillars. There is currently a key focus on the Skills Pillar as this area was graded as Requiring Improvement by Ofsted in June 2017 and is consequently subject to re-inspection within the next 12 months.

In terms of percentage split between direct delivery and that which is delivered through a supply chain, this varies by Pillar as follows:

- Justice: Yorkshire and Humberside and East Midlands is 50% Supply Chain Partner delivery and North East is 30% Supply Chain Partner delivery
- Skills: Apprenticeships is 0% Supply Chain Partner delivery, NEETS is 50% Supply Chain Partner delivery and Adult Skills programme is 40% supply chain delivery
- Youth: West Midlands 1 is 70% Supply Chain Partner delivery of the NCS and South East 1 is 92% Supply Chain Partner delivery of NCS and,
- Employability: 30% Supply Chain Partner delivery.

There are some lengthy partnerships with an average in Employability of 7 years (most established provision), in Skills this average is 2 years 7 months, in Justice at 2 years 11 months and in Youth the average length of Supply Chain Partner relationship is 1 year 4 months (newest supply chain). Some 74% of Supply Chain Partners in 2018 were with APM at their last Merlin assessment in 2016.

5. AREAS OF SIGNIFICANT STRENGTH

A number of significant strengths were identified during the Assessment and these are described below. The numbers in brackets refer to the criteria of the Standard:

Supply Chain Design is a clear area of strength, whereby the processes for engaging with Supply Chain Partners are constantly reviewed and developed to improve the process. For example on a recent new opportunity, the Expression of Interest (EOI) form was simplified to encourage more small organisations to come forward. A second stage of telephone Invitation To Tender (ITT) was also introduced, again to encourage smaller organisation participation and to help prompt bidders to share their experience and skills. Another example is where APM has line of sight to a new opportunity and is holding workshops in 25 locations across the country to agree initial design with interested potential Supply Chain Partners. Customer focus groups and surveys also are used to inform the ongoing design of supply chains. (1.1 / 1.2 / 1.3)

Procurement processes, including communications are open and transparent. The Due Diligence process has been significantly improved since the last assessment. Supply Chain Partners are complimentary about the supportive nature of the Due Diligence process that has assisted many in developing their systems and processes to make their delivery more effective and sustainable. (2.1)

There is clear strategy in place to support any TUPE activity. Appropriate consideration and expertise is used in each scenario and Supply Chain Partners confirmed they are kept well informed and are supported throughout in a timely manner. People who have been subject to TUPE transfer also cite very positive and supportive experiences making their transfers smooth and effective. The Human Resources Director has also offered support to Supply Chain Partners in the form of advice from an external HR/legal entity. The practice of staff transferring into APM is robust, following the primary aim of safeguarding personnel when they transfer and ensuring processes fully engage with current TUPE legislation. (2.2)

There is a culture of openness and transparency. The vast majority of Supply Chain Partners speak of the trust they have with APM staff. A number of Supply Chain Partners made reference to the effective information, advice and guidance (IAG) provided to support them with technical issues around information security, including encouragement to gain the ISO 27001 standard. (6.2 / 7.3)

Performance review processes are strong and are well embedded. The Monthly Monitoring Review (MMR) process is well prepared for by the vast majority of Supply Chain Partners and includes an agenda covering all key areas of performance. Supply Chain Partners are very clear about what they need to achieve and have contractual schedules and programme plans in place which detail the outcomes required on a monthly basis. (6.3)

6. AREAS FOR DEVELOPMENT

A number of areas where further development would be beneficial were identified during the Assessment. These are for the Organisation to consider as a contribution to continuous improvement. The numbers in brackets refer to the criteria of the Standard:

The plans to develop a Supply Chain Partner portal are encouraged. This will assist greatly with the change control process for key legislative and contractual documentation updates. Whilst the current processes of Supply Chain Manager communications work to a reasonable extent, a 'self-service' option will allow multiple staff in Supply Chain Partners to access information at any time. (3.1)

APM is encouraged to review its strategy with regards to promoting opportunities for Supply Chain Partners to consider the financial risk within new contracts. Currently APM flows down the funding and payment arrangements as per the header contract and will consider offering flexibility when requested, therefore many Supply Chain Partners cannot confirm that APM has considered their financial risk position. This will be a business decision, however the current financial position of the business may assist in this. (4.1)

Timely and accurate payments are now being made following a period of acknowledged difficulties which has been ongoing since the last Merlin Assessment. The majority of Supply Chain Partners confirmed that payments are now accurate and timely and that this has improved dramatically over the recent period. Documentary evidence of timely payments was seen on site and there was a confidence by both APM and Supply Chain Partners that this would continue. APM is therefore encouraged to ensure this position remains positive. (4.2)

Whilst it is clear that APM has a variable management fee policy and that this is based on the needs of the individual contracts, some Supply Chain Partners are not clear about the level of fee and what they receive for this. There is a plan to develop a Supply Chain Partner handbook which will explain this and is therefore strongly encouraged. Additionally, the new process of designing and engaging supply chains will include greater clarity and transparency of management fees for both business development and operational staff in new Supply Chain Partners. (4.3)

Much work has already taken place to communicate information about the Modern Slavery Act 2015. APM is encouraged to continue to communicate about this and to ensure Supply Chain Partners are supported to adhere to the principles of the Act. (7.5)

The Tier 2 or end to end Supply Chain Partners cite a positive and well-planned exit process. However, APM is encouraged to ensure the exit process for all tiers of the supply chain is as thorough and robust. (8.5)

7. AREAS REQUIRING SIGNIFICANT IMPROVEMENT

The following areas were identified as needing improvement as there was limited or insufficient evidence found during the assessment (a score of less than 3). The numbers in brackets refer to the criteria of the Standard:

APM acknowledges that whilst it produces a self-assessment report and quality improvement plan and that some of this draws on the performance of Supply Chain Partners, the process to generate an annual continuous improvement plan and action plan could be more effective. It is acknowledged that this should be inclusive and include not only performance but also quality assurance information. Supply Chain Partners are eager to be involved more and share in the process with some suggesting the Quarterly Supply Chain Partner Network meetings may be a suitable forum for this. (6.7)

8. FINDINGS

The feedback below is reported against key criteria of the Merlin Standard, aligned with the "Plan-Do-Review" business cycle.

PLAN
<p>Through planning an effective supply chain, the range of Partners and how they are engaged ensures there is a group of organisations that cover a diverse range of providers that all understand the requirements of the contract and their contributions to achieving the desired outcomes.</p>
<p>When planning to tender for an opportunity, extensive research is undertaken by the Business Development team into the type of contract being tendered. The commissioner's specification is reviewed along with the needs of prospective customers and the potential need for specialist delivery to determine the role that Supply Chain Partners could play in the contract. Opportunities are advertised via the website, social media channels, membership of industry bodies such as the Employment Related Services Association and the Association of Education and Learning Providers, the Institute of Employability Professionals and Carley Consult, via training networks, through Chambers of Commerce, Local Enterprise Partnerships and other partner newsletters. Supply chains are designed by utilising an Expression of Interest (EOI) process, supplier selection questionnaires and supplier interviews. This process has been adapted to encourage new Supply Chain Partners to enter the market by providing positive encouragement via a telephone call rather than necessarily completing forms. In addition to appropriate capacity and capability, Supply Chain Partners are also considered for their track record, local footprint, infrastructure, staffing, suitability of premises, relationships, employer links etc. and as a result, the APM supply chains in each of the four Pillars are very diverse. Comments from Supply Chain Partners included <i>"There is a good mix of providers delivering the contract we are able to bounce ideas off each other"</i> and <i>"We are a very small business starting to deliver spot purchase contract providing job brokerage."</i></p>
<p>Supply chain review takes place regularly across all areas of the business; for example, the Justice Pillar has increased the number and range of Tier 3 specialist Supply Chain Partners in order to better meet the needs of the Tier 2 Supply Chain Partners and their customers. Supply Chain Managers seek feedback from Supply Chain Partners on the design and makeup of supply chains and use these discussions and feedback to improve both current and future delivery. This can often involve the development of the capacity of Supply Chain Partners to work across Pillars and contracts. One Supply Chain Partner commented that <i>"working with APM is overall a positive experience."</i></p>
<p>APM has extensive experience of managing TUPE transfers. Since 2003, there have been transfers of staff on 75 occasions. APM's Human Resources Director has overseen all transfers, providing expertise and consistency. In all cases, there have been no appeals, tribunals or claims. A comprehensive Employee Liability Information template is utilised to collate relevant initial data about the staff being transferred. Then working with legal advisors, and the incoming / outgoing provider APM develops a time-lined process. Open and honest communication channels are maintained throughout.</p>

APM arranges facilitated presentations and one to one meetings in order to ensure staff are fully aware as to the process, as well as providing a TUPE Factsheet to ensure all staff have a full understanding of the implications of the transfer.

APM has clear expectations of all Supply Chain Partners with regard to performance achievements. These are plainly stated in contractual documentation and updated if required via contract variations. Operational guidance also supports communication of performance expectations. A clear performance management framework is followed across APM which assures transparency and fairness. Monthly Monitoring Reviews are held with Supply Chain Partners to review performance against targets / profile, update on key issues and share best practice. These are minuted meetings utilising a standard pro-forma that help to prompt discussions. Any underperformance is reviewed and where necessary Supply Chain Partners are placed on a Performance Improvement Plan (PIP). These plans are designed to be supportive of SMART targets to actively engage and support the Supply Chain Partner back to an acceptable level of performance. Supply Chain Partners interviewed as part of the assessment and subject to a PIP were very complimentary about the *"totally supportive nature of the process."*

In most cases, APM 'flow down' finance and funding terms to Supply Chain Partners so that they have the same terms and conditions detailed as the main contract and these are agreed in advance and are detailed in contracts. The amounts paid are driven by volume / system data validated by the Business Support Claims Team. For example, if a Supply Chain Partner recruited six apprentices, they would submit appropriate start paperwork by the month-end deadline. If this is appropriately validated and submitted to the funding body APM makes payment in the next payment run and within 30 days (recently changed from 45 days). A copy of the data is sent to the Supply Chain Partner for them to validate and is the basis for the self-billing process. There has been until very recently issues with timely payments, however, this now appears to be resolved.

DO

Supply Chain Partners are supported to develop their services to meet or exceed expected performance and quality assurance requirements.

APM seeks to work proactively with Supply Chain Partners to support, develop and encourage them to improve. There is the provision of initial advice and guidance on contractual paperwork, funding rules and compliance. This is followed with regular, planned audits and other quality assurance activities that help to ensure the Supply Chain Partner is fully aware of compliance requirements as they progress. For example, a number of Supply Chain Partners have been given advice on a range of health and safety and safeguarding issues. Other examples include helping Supply Chain Partners to make applications to join the Register of Training Organisations; in the Justice Pillar, Supply Chain Partners who were struggling to access referrals from prisons and Community Rehabilitation Company (CRC) were helped to access them; and in the Youth Pillar, a local specialist provider was developed to become a Tier 2 delivery partner in their own right. Supply Chain Partner comments included *"we have developed as an organisation; APM's drive for performance and overall journey felt good and more secure building a stronger supply chain network"* and *"we are a new organisation who will never forget that APM gave us an opportunity."*

All APM supply chain and support services staff strive to maintain open and honest communications, as the key to ensuring a successful partnership. APM hold regular face to face meetings, and paperwork is designed to encourage two-way communication and discussion. Supply Chain Partners interviewed confirmed that they feel able to raise concerns and grievances in a positive and constructive way, and the vast majority of Supply Chain Managers are seen to be positive and supportive. Supply Chain Partner comments included *"the way the contract is managed we are expected to share our experiences and ideas consistently"*, *"we do feel supported"* and *"probably one of my favourite Primes as they are open to most conversations."*

All Supply Chain Partners receive Monthly Monitoring Reviews (MMRs), covering topics including performance, staffing, data and legislation compliance, comments, compliments and complaints, and marketing. MMRs typically take place via face to face meetings, to support high-quality discussions. All MMR meetings include following up on previously raised actions, to facilitate improvement. Supply Chain Partners are encouraged to share good news stories in order to promote individual partner services, for example, individual clients with complex needs being supported into employment and clients with depression being referred to support services who then have gone on to achieve. Attendance by delivery staff is encouraged at MMRs in order to drill down into performance and services. For partners delivering NCS, weekly calls and monthly meetings between the Supply Chain Managers and the Supply Chain Partners ensures that performance is kept at the top of the agenda. These meetings are also used to highlight good practice and innovation. Supply Chain Partner testimony included *"APM are an understanding, performance-driven Prime who are a lot more realistic and get involved when they need to – they have the right balance"*, *"performance reviews are two-way – we both get actions to complete"*, *"monthly performance meetings allow us to bounce ideas around"* and *"it doesn't feel like micromanagement – more how can APM support us."*

A range of management information systems are utilised across the business dependent upon contract and funding body. Supply Chain Partners in the Skills Pillar are provided access to the Maytas system following training by APM staff. Maytas is a well-known system across the sector and is capable of producing a range of management reports. Supply Chain Partners are being provided with guidance on how to utilise these effectively and face to face workshops are also provided. Regular weekly data error reports are issued with explanations to facilitate understanding. Employability Supply Chain Partners delivering Work Programme use a system developed by APM's predecessor company. This system has historical issues; however access to reports has been improved, and APM's Supply Chain Manager supports with access to data as required. The system is being maintained until the closure of the contract (March 2019). Justice Pillar Supply Chain Partners have access to CATS, a system provided by MOJ. The NCS supply chain uses Salesforce, provided by NCS Trust, and receive training from both NCS Trust and APM where applicable. APM provides the supply chain with league tables weekly, showing current performance levels.

Quality Assurance activities are differentiated by Pillar. These are developed against contractual and legislative requirements, as well as the requirements (where relevant) of ISO9001:2015 and best practice / sector norms. In the Justice Pillar claims are quality assured by compliance staff. Rates of compliance i.e. approved vs rejection from the Her Majesty's Prison and Probationary Service (HMPPS) are monitored. The Youth Pillar has a framework that involves a range of quality assurance visits that lead to a report and a RAG (Red – Amber – Green) rating. Supply Chain Partners who are Red rated are required to take immediate action to bring about improvement, with a follow-up visit promptly initiated. The Skills and Employability Pillars utilise Ofsted's Common Inspection Framework and the Education and Skills Funding Agency funding rules as clear standards of quality. Compliance checks are undertaken monthly, with the quality team undertaking observations of teaching and learning, as well as audits. Learner feedback is sought at various points through the programme. The new Head of Quality and Compliance took up the post in March 2018 and has set to work on further developing the frameworks for each Pillar to build on existing practice and drive quality improvement. A Quality Board has been developed to support the drive to improve quality. Attended by senior managers and led by the Head of Quality, this forum has met three times and is starting to receive systematic compliance reports and performance data.

REVIEW

Review and evaluation are used to demonstrate the impact of the services delivered and continuously improve service delivery.

Each commissioner determines a range of performance indicators that are utilised as part of their contract review to assess quality and impact. For example, within Skills and Employability, case studies are shared with commissioners where an individual or group has achieved in particularly exceptional circumstances. APM routinely share NEETs data with local authorities who utilise the data to inform their strategic planning. For example in Stoke and Staffordshire, data influenced future commissioning processes and reduced the risk of duplicating services. Equality and Diversity data is routinely reported to Local Enterprise Partnerships who utilise the information in their planning processes. In the Youth Pillar, commissioners require social mix, graduate activity and attrition to be reviewed and reported to determine the effectiveness of the NCS programme. Through the work by APM and its Supply Chain Partners the NCS Programme generated over £180K in donations to community causes in 2017/18. Additionally, Supply Chain Partners confirmed that they use the Justice Star to measure impact. Results completed in June 2017 and January 2018 show a positive shift in all areas particularly mental health, wellbeing and family relationships

APM collects data on outcomes and submits this to commissioners. In the Justice Pillar, this relates to the reduction of re-offending rates. For the Youth Pillar, the purpose of the NCS programme is to engage with young people and provide them with a positive experience that can prepare them with life skills and raise their aspirations. Skills and Employability Pillars review qualification achievement rates as well as destination and progression rates. Supply Chain Partners have a measurable impact on the wider social objectives around health and wellbeing through the delivery of a holistic service to customers who are referred on to relevant services that meet their needs, for example, debt advice, drug and alcohol support, Citizens Advice Bureau and Job Centre Plus support. Activities of Supply Chain Partners are positively impacting on external stakeholders, such as the way in which customers have been encouraged to develop themselves and their wellbeing. Examples include improved attainment, gaining qualifications, improved mental wellbeing and accessing skills and employment. Supply Chain Partners confirmed that their contact with stakeholder groups shows that the programmes are having a positive impact. Formerly unemployed customers were opting to extend periods of volunteer work indicating that they were feeling healthier, invigorated and valued as individuals. The impact of social and wider objectives mentioned earlier is the positive indication of an improvement in sustainability. In this way, the activities undertaken by Supply Chain Partners enable customers to develop themselves and their wellbeing in its widest possible sense.

9. CONCLUSION AND CONDITIONS OF ACCREDITATION

In conclusion, this assessment provided the opportunity to review the practices of APM against the Merlin Standard. The senior leadership team should be mindful that any significant organisational or senior staff changes, and /or being awarded additional contracts using a significantly different supply chain may require a strategic review. Similarly, any decisions reached by the Independent Complaints Examiner may also result in a strategic review being required to ensure that APM continues to operate in line with the Merlin principles.

Holders of the Merlin Standard Accreditation must:

- Maintain and continually improve upon their approach to Supply Chain Management.
- Cooperate with annual Reviews as required by Assessment Services Ltd
- Inform Assessment Services Ltd (merlin@assessmentservices.com) or their Lead Assessor if the key contact name or contact details change.
- Inform Assessment Services Ltd of any significant changes made to the organisational structure, senior management or systems that may impact on their accreditation; email:
- Inform Assessment Services Ltd immediately if they gain additional contracts.
- Inform Assessment Services Ltd of any serious complaint or rise in numbers of complaints received from Supply Chain Partners.
- Not undertake or omit to undertake any activity that may be misleading and/or may cause Assessment Services Ltd and/or the Merlin Standard to be brought into disrepute.
- Only use the Merlin Standard Quality Mark for the areas within the scope of the accreditation and in accordance with the guidelines.
- Ensure in cases where accreditation is withdrawn or where they do not come forward for Accreditation Review, remove from display any certificates or plaques issued by Assessment Services Ltd and do not display the Merlin Standard Quality Mark, nor refer to being a former holder of the Merlin Standard.
- Be aware that Assessment Services Ltd reserves the right to remove any accreditation and/or certification previously applied if payment is not received for services provided.
- Submit their Booking Form for re-accreditation to the Merlin Standard at least 4 months prior to the accreditation anniversary date ensuring all pre on-site activity is completed in a timely way including planning, payment, completion of the Self-Assessment Questionnaire (SAQ), Pre-Assessment Notes (PAN) and interview scheduling. Accreditation Reviews are due 2 years from the anniversary accreditation date; it is expected that organisations will be assessed by this date or will risk being de-accredited.

 ASSESSMENT SERVICES	
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