



merlin standard

2018

**NEWHAM TRAINING AND EDUCATION
CENTRE
(NEWTEC)**

CONTENTS

1. KEY INFORMATION.....	3
2. ASSESSMENT OUTCOME	3
3. METHODOLOGY	4
4. ABOUT THE ORGANISATION	5
5. AREAS OF SIGNIFICANT STRENGTH	6
6. AREAS FOR DEVELOPMENT.....	7
7. AREAS REQUIRING SIGNIFICANT IMPROVEMENT	11
8. FINDINGS	12
9. CONCLUSION AND CONDITIONS OF ACCREDITATION	25

1. KEY INFORMATION

Assessment Type	INITIAL ASSESSMENT
Assessor's Decision	STANDARD MET
Anniversary Date	31/05/2020
Assessment Dates	30/5/2018 – 31/5/2018
Lead Assessor's Name	PAUL HESP
Customer ID	C23294
Assessment Reference	PN103525

2. ASSESSMENT OUTCOME

OVERALL OUTCOME	70% Good
1. Design	67% Satisfactory
2. Procure	73% Good
3. Contract	70% Good
4. Fund	67% Satisfactory
5. Develop	80% Good
6. Performance Manage	77% Good
7. Quality Assurance and Compliance	64% Satisfactory
8. Review and Close	60% Satisfactory

3. METHODOLOGY

Newham Training and Education Centre (NEWTEC) nominated a Coordinator to support the planning and scheduling of the Assessment. The Coordinator submitted a Self-Assessment Questionnaire, and Pre-Assessment Notes based on this were shared before the Assessment by the Lead Assessor. The Lead Assessor prepared an Assessment Plan, and the Coordinator created a Timetable for interviews in line with this.

In advance of the Assessment, a survey was carried out of the Supply Chain Partners and all 6 were invited to participate. 1 Supply Chain Partner responded. The results of the survey were discounted because of the low response rate.

100% of Supply Chain Partners were interviewed during the Assessment, including five present and one past Supply Chain Partner.

The Assessment was undertaken by two Assessors (Paul Hesp and Christine James), each spending one day gathering evidence against the Standard before scoring and giving feedback. Reviews of documentary evidence were included during the Assessment period, and interim feedback was provided during the Assessment.

The Assessment launched with an Opening Presentation given by the Coordinator, and concluded with verbal feedback being given by the Assessment Team, and discussed with members of senior management.

Interview sessions were held with Staff, and with past and present Supply Chain Partners as follows:

- 4 Face to face interview sessions with staff (2 individual, 2 groups)
- 3 Remote Interview Sessions with individual staff
- 5 Remote Interview Sessions with Present Supply Chain Partners
- 1 Face to face Interview Session with the Past Supply Chain Partner.

4. ABOUT THE ORGANISATION

Newham Training and Education Centre (NEWTEC) is a private company (limited by guarantee) and registered charity. NEWTEC was established in 1989, with the purpose of supporting women, originally into the construction industry, then in later years into IT and more recently into childcare. Now the organisation supports not only women; its focus has broadened to include children, parents, carers and families.

NEWTEC's principal aim is to provide learning opportunities for women, men and the community, to enable them to gain access to employment to improve their career development or to participate in further or higher education. NEWTEC provides integrated support for clients by providing quality childcare on and off site in its seven nurseries and with local registered childminders.

The vision of NEWTEC is that *"All our children will be happy, healthy and safe, and supported by well qualified and economically active parents and carers"*. Their mission is *"To provide the highest quality childcare services and vocational training in care for young people, adults and employers."*

NEWTEC has a board of six trustees who meet regularly to oversee the company's strategic direction, to ensure legislative compliance and to maintain financial probity. NEWTEC is managed by a senior leadership team led by the Chief Executive and five departmental Heads, responsible for Adult Learning, Young People and Higher Education, Quality and Standards, Stakeholder Engagement and Commercial Operations. Transition to this revised structure was nearing completion at the time of Assessment.

In its provision of education and learning opportunities, NEWTEC makes use of supply chains to deliver government-funded contracts, accessing ESFA¹ funding for Study Programme, Traineeships and Apprenticeships. Across these programmes 70% of delivery is carried out by the Supply Chain Partners. There are two Supply Chain Partners engaged in delivery of Apprenticeships, and four in the other programmes. The organisation also directly delivers AEB² programmes without the use of a supply chain.

In this Report, references to students and customers are synonymous.

¹ Education, Skills and Funding Agency

² Adult Education Budget

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:

Communications channels across and within the supply chain are excellent, and this helps sustain the very positive and honest culture that underpins the relationship. Supply Chain Partners and staff have uninhibited dialogue and are unhesitating in raising ideas or concerns; dialogue is positive at all times. The engagement of all Supply Chain Partners in the overarching purpose of improving the prospects of the service users is clear; there is a genuine passion and belief in what the supply chain does, and all Supply Chain Partners are committed to continuously learning and improving their performance and impact. (6.1, 6.2)

6. AREAS FOR DEVELOPMENT

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

The extent to which agencies and organisations outside of the formal supply chain are involved is somewhat limited. Whilst no obvious gaps in support services was apparent from the Assessment, it was found that support services are sourced from within the supply chain, or the Newham College Group. There are likely to be many organisations and agencies that could offer wider, specialist support services to customers and partners, and the organisation and partners could research needs and provision to widen the informal network. (1.2)

The involvement of Supply Chain Partners in the initial design of the supply chain did not make a lasting impression, and might therefore have been superficial. Whilst this is not considered a weakness, it would likely increase the sense of ownership among Supply Chain Partners if the process for engaging them in design prior to contracting could be strengthened or made more prominent. (1.3)

Core principles and behaviours were very clear among staff, but Supply Chain Partners were less consistent in being able to articulate them. The Assessment found a high level of synergy in values, ethics and behaviours, but they lacked a clear definition in the context of the supply chain. NEWTEC could consider defining and documenting a supply chain-specific set of principles and values, potentially adopting or building upon NEWTEC's organisational principles and values. Having a clear reference document would reduce ambiguity, and the principles and values could also be reinforced through thematic discussion and reflection during Supply Chain Partner meetings. (1.5)

The focus of supply chain review processes appears to be heavily weighted to contractual requirements. This area could be further developed by introducing a more discreet reflection on changing customer needs, perhaps considering for example how the supply chain could respond and evolve in light of highly topical benefits and welfare changes, and cutbacks affecting social and family support services. (1.6)

NEWTEC have already recognised and begun to address improvement opportunities in relation to procurement. The Supply Chain Partners now on board were engaged via an under-developed EOI³, which lacked objectivity in the scoring process, and it was not clear to bidders how the EOI would be evaluated. In addition, the promotion of tendering opportunities has been historically restricted, and there has been a reliance upon limited networking circles. NEWTEC are able to widen the promotion of opportunities to new entrants through better use of its own website, and of partner organisations own channels to promote opportunity more widely. (2.1)

³ Expression of Interest

Whilst contractual documentation is clear and unambiguous, the process for requesting changes has been identified as overly informal. In some cases, this could lead to NEWTEC staff feeling under pressure to accept changes requested by Supply Chain Partners, and that is not conducive to good supply chain management. NEWTEC are encouraged to develop a formal, more robust change request process that minimises formal contract variations, and ensures that belated requests are not made. (3.1)

Different arrangements are made for Supply Chain Partners according to the type of contract. There was a marked difference between the perceptions of payment profiles as opposed to payment on outputs, the former arrangement being a flattened monthly income with end of year balancing payments. This is seen by Supply Chain Partners as more supportive of financial risk, particularly by smaller organisations that tend to have very limited cash reserves. NEWTEC could consider if they have more capability to move further toward payment profiles in more relationships; of course, the organisation needs to take due account of its own financial capability, and the risk gap between the commissioners' Prime contract payment terms and the arrangements extended to Supply Chain Partners. One line of thought worthy of further consideration is that of providing a bond to underwrite financial risk as raised by senior management during the Assessment feedback meeting. (4.1)

There is some inconsistency among the management team in their understanding of the range of management fees that are in place across the supply chain. NETWEC can readily address this, to ensure that there is no risk of inaccurate information being given to Supply Chain Partners or other stakeholders. In addition, there is some lack of transparency, or possibly a level of naivety among Supply Chain Partners, not all of whom realised they could negotiate a management fee, and not all of whom had considered doing so. The level of individual management fee is clear to all contracted Supply Chain Partners, and all accept the fee as fair. However, engagement could be further improved if there was a clear statement or "tariff" explaining exactly what is included in the fee for each Supply Chain Partner; this would likely strengthen Supply Chain Partners perception of value for money. (4.3)

The way in which the training and development needs for supply chain staff are identified is by reviewing individual Curricula Vitae, and whilst this is certainly fit for purpose now, consideration should be given to whether this approach is sustainable in the event of significant growth. Management may wish to consider alternative methods in anticipation of future growth. (5.3)

Management information systems can be further developed in order to provide the flexibility to capture and report on a wider range of measures including all protected characteristics defined by the Equality Act; this is a development already identified by management and underway. Improved capability in more holistic management and performance data would also support the more overt identification and sharing of good practice across the supply chain. Whilst practice is clearly openly shared between Supply Chain Partners, it was not easy for Supply Chain Partners or staff to articulate what shared practices had led to performance improvements. The organisation could support this more by reminding Supply Chain Partners of what practices they have shared, and help them to reflect on and recognise what they have learned; this will raise the value of practice sharing across the supply chain. (6.4, 6.5, 6.6)

Whilst the annual quality improvement planning process is effective, and was scored as good by the Assessment, there is opportunity to develop this to be more engaging of Supply Chain Partners. The present approach gives some Supply Chain Partners the impression that the SAR⁴ and QIP⁵ are prepared “on their behalf” by NEWTEC, but management have already recognised and begun to address this. Whilst options are being developed, it may be appropriate to consider facilitating the production of a single supply chain-wide SAR and QIP, as an alternative to them being produced per partner. Such an approach would not only increase engagement and ownership, but may be less onerous for supply chain managers as the size of the supply chain grows in future. (6.7)

Arrangements for updating partners on legislative changes are in place but among Supply Chain Partners have a low profile. It may be that Supply Chain Partners are already aware of changes in their sectors, but it could also be an indicator that the communication of change is more about information flow than about guidance. It should be stressed that no evidence of non-compliance was found within the supply chain. NEWTEC could explore how to raise the profile or uptake of guidance in responding to or preparing for legislative and regulatory changes; this may engage Supply Chain Partners more fully in this area. (7.1)

It was noted that within the contractual documentation there is no requirement for Supply Chain Partners to hold the **matrix** Standard. It is understood that this Standard is often recommended or mandated for contractors by ESFA. The management team may wish to reflect on whether they should include this accreditation as a condition of sub-contracting. (7.3)

NEWTEC engages with a plethora of accreditations and certifications to objectively challenge and demonstrate compliance with relevant standards and practices including in relation to information security, health and safety, safeguarding and environmental sustainability. Whilst this is highly valued by NEWTEC, little of it transfers to the supply chain. The sheer number of external accreditations, certifications, awards and recognitions may appear intimidating or overwhelming to the typically small and inexperienced Supply Chain Partners that the organisation engages. However, there is potential by adopting a focussed and selective approach to encourage the supply chain to achieve some of the most appropriate recognitions. Managers may wish to consider if it is appropriate to create a short list of a number of favoured and proven accreditations and certifications that are pertinent to the supply chain activities, and to encourage and support achievement of them by the Supply Chain Partners. This would extend and support the range of policies that are already in place. (7.4)

⁴ Self-Assessment Report

⁵ Quality Improvement Plan

Although there is a level of awareness of the Modern Slavery Act, the process for monitoring that Supply Chain Partners follow the principles of the Act are under-developed, and would benefit from review and refinement. In particular, it may be beneficial for key staff to explore the practical implications of the Act in greater detail, encompassing a clear understanding of the implications for organisations under and above the current compliance threshold. There is considerable scope here for NEWTEC to adopt a proactive leadership position in educating the supply chain on the principles of the Act, and in defining clearer expectations of Supply Chain Partner adherence. (7.5)

Equality and diversity data is monitored and reported effectively (notwithstanding systems development improvements referred to earlier that will improve the administrative and reporting efficiency), and the organisation has the capability of raising the bar further in the way it proactively addresses equality imbalances in the supply chain workforce and across customers. This suggestion should not take away from the good results that have been achieved already in raising male participation levels. Managers could now explore the actions they could take to encourage a more balanced gender participation within courses, as opposed to relying on a broadening of course offers which has been successful in improving overall participation. There remain courses that are heavily male or female dominated, and the organisation could promote these differently, or consider if any design changes would enable more balanced participation. The workforce of NEWTEC is also imbalanced, and probably reflects the workforce of the early years and childcare industries. NEWTEC is aware of this, and could take a championing role by introducing appropriate actions to increase male representation in its workforce. (8.4)

The process for managing the exit of a Supply Chain Partner is defined within contractual documentation, but awareness of the process among Supply Chain Partners is low. When the process is used to exit a Supply Chain Partner earlier than was originally planned, it would be beneficial to make this a clearer milestone, with clarity being established through unambiguous documentation of the end of the contractual relationship. (8.5)

7. AREAS REQUIRING SIGNIFICANT IMPROVEMENT

The following area was 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 criterion of the Standard:

The supply chain shows only a nominal focus on its impact on the wider social objectives and/or policy intent of the commissioner. Measures put forward to demonstrate their impact are around progression and destination data, which are contractual requirements. NEWTEC recognise that they and their Supply Chain Partners are able to reach young people who are NEET, but it was unclear among Supply Chain Partners if improving the local NEET statistics was defined as a measurable impact. Consideration should be given to the supply chain defining the wider objectives it wishes to make a positive impact upon, beyond contractual obligations or expectations, ideally through a proactive discussion with the Supply Chain Partners. It is likely that direct reference to NEWTEC's vision and mission and charitable objectives may help develop measurable impacts that would coincide with wider policy intent or social objectives. A statement defining the wider social objectives could be incorporated in supply chain reference documents, and the results measured and reported on across the supply chain. Similarly, there is useful development work to be done in more clearly defining the stakeholders such as employees and people in specific wider communities where the supply chain operates, so that it becomes more adept in recognising the positive impact that supply chain operations have on them. (8.2, 8.3)

8. FINDINGS

PRINCIPLE 1: Design

NEWTEC were cautious in designing their supply chain, initially appointing a single Supply Chain Partner and shadowing another Prime organisation until they gained confidence that processes were sufficient and fit for purpose. At this point they widened the size of the supply chain, and took into account the range of vocational subject areas that would be appropriate to the target customers they wished to engage, namely residents who were not in education, employment or training. The supply chain was designed around capability in four specific pathways. These are Health & Social Care; Childcare; Business Administration and Customer Service; IT and Digital Skills. NEWTEC also took a strategic position in defining the size of organisations they wished to engage in the supply chain, with a very clear objective of supporting small independent organisations with relatively limited experience of formal supply chains and public funding, and developing their capability and expertise. Public sector organisations have also been considered, but because those considered had high volume expectations they could not be engaged in the relatively small contracts held by NEWTEC. The composition of the current supply chain reflects these design principles. Supply Chain Partners recognise the mix of capability across the supply chain and appreciate the developmental objectives of NEWTEC.

The use of wider networks beyond the formal supply chain is somewhat restricted, and relies heavily upon resources of NEWTEC's parent, the Newham College Group. Examples of how resources are engaged included the availability of employment and work experience placements in the Nurseries operated by the Group, and the availability of pastoral support, counselling and financial support for students, provided by Newham College. The supply chain is also in the process of rolling out an innovative Performance Coaching programme, which trains and makes use of students in a peer mentoring capacity. Training of supply chain staff and student coaches is carried out without cost to Supply Chain Partners by the College Group; this has been successfully piloted among the NEWTEC direct delivery cohort and is about to be made available across the supply chain.

Consultation with potential Supply Chain Partners was relatively informal, and some Supply Chain Partners although confirming that consultation did take place, thought that this was restricted to discussion and exploration around what their capability and expertise covered. There is a view in the supply chain that several years ago they were not included in any consultation, but that the situation has improved and changes in relationships have been seen in recent years. Staff have a more discreet approach to reflecting on suitability of the supply chain design among themselves as part of the annual business planning and review cycle. Consultation with Supply Chain Partners typically takes place on a one-to-one basis as an extension to performance review meetings, but could perhaps be more effectively addressed during supply chain meetings.

Because the design of the supply chain was based around complimentary provision of a defined set of pathways, there is minimal overlap and no sense of competition on the part of Supply Chain Partners. They are, as a result, open and highly trusting of each other, and they and NEWTEC's staff confirmed that there is a strong sense of cooperation and collaboration.

A recent example of this has been collaboration over the design of a new register system. This is another aspect of supply chain relationships that has improved over time.

NEWTEC have defined a set of core principles by which the supply chain should operate, and they have adopted the mission, vision and values set by their Trustees. Staff highlighted the Values as demonstrating the principals and behaviours of all they do, including supply chain management. The five Values are (paraphrased): Promoting and safeguarding interests of customers and stakeholders; Promotion of equality and diversity; An ethical organisation reflecting our charitable status and stakeholder status with local organisations: Business Innovation to ensure long term sustainability; Determination to succeed. The recognition of these by NEWTEC staff is very high, but among Supply Chain Partners it is less so, understandably. There are no explicit or overt references to the principles in documentation, and there was a degree of inconsistency in articulating principles and values by Supply Chain Partners. All were able to describe the overall principles and ethical values held by NEWTEC, by themselves and by their peer Supply Chain Partners, and all believe they share common values. The procurement process is selective of organisations that share common values, and this has created the implicit sense of shared values, principles and behaviours across the supply chain.

"We feel very passionate about working with NEWTEC" –Supply Chain Partner

Certain activities were identified that contribute to the review and evolution of supply chain design. Monthly performance review meetings take place with Supply Chain Partners and offer opportunity for reflection; evaluation forms are completed for each Supply Chain Partner, with a focus on performance but also creating opportunity to reflect on whether the supply chain remains fit for purpose; and there is an annual review of the Strategic Plan. The latter includes market research findings focussed on competitors, suppliers, buyers and alternatives, and as such is more aligned with an evaluation of strengths, weaknesses opportunities and threats. Changing needs of customers and commissioner are implicit rather than explicit in this process. No evidence was found of the supply chain evolving to meet changing needs of the customers or commissioner.

PRINCIPLE 2: Procure

NEWTEC have promoted opportunities to join the supply chain most effectively through networking, although the publication of tender opportunities on their own website is now coming into use. Networking circles have given exposure to sufficient Supply Chain Partners to form the current supply chain, but are likely to yield diminishing returns in future if and when the supply chain grows. In addition, there may be a more diverse range of organisations with which NEWTEC would be prepared to contract, but which do not engage in the specific networks. An EOI form has been issued to prospective Supply Chain Partners, and the scoring of this was less transparent than NEWTEC would have liked. A degree of subjectivity was inherently involved in the selection process because of the absence of a robust scoring or weighting method. Supply Chain Partners however expressed the consensus view that the selection of Supply Chain Partners was fair and transparent. In proactive discussions with Supply Chain Partners, it has been identified that more comprehensive feedback on the procurement stage would be beneficial to prospective and present Supply Chain Partners, and NEWTEC management have already begun developing this further.

There have been no instances of the transfer of undertakings within the supply chain, so compliance with Criterion 2.2 was not assessed.

Market share is allocated by reference to provider capacity, and in most cases NEWTEC have been able to support requested volumes. Geographical location is taken into account, and Supply Chain Partners understand they are required to operate in certain localities; this increases the supply chain's focus on targeted neighbourhoods, and helps support the overall organisational Mission, Vision and charitable purpose. NEWTEC have not overly stretched any of the Supply Chain Partners, and all have felt comfortable with the allocation that was agreed.

The way in which volumes, funding/finance and performance expectations are handled is good. Different Supply Chain Partners have different appetites for negotiation, and NEWTEC have accommodated this in their dealings before and during the contract relationship. Some had been particularly daunted by the prospect of negotiation, one even engaging a consultant to support them, but finding it was unnecessary because the process was fair and amicable. No Supply Chain Partner had any doubt as to the performance expected of them, and everyone, including NEWTEC staff, was clear about what has been agreed. One of the Supply Chain Partners had successfully renegotiated down the level of management fee when they were able to demonstrate that improved performance had led to reduced risk, and this had been readily accepted by NEWTEC.

PRINCIPLE 3: Contract

In all cases, contractual documentation reflects the pre-contract negotiations and agreements. No evidence was found of any unexpected requirements nor of errors in the contracting process. Contractual documentation is based on the documentation used by the commissioner to formalise the Prime contract. Supply Chain Partners were satisfied that the documentation is not overly burdensome, and some had been given considerable guidance by NEWTEC staff to help understand some aspects of wording and implications. When contract variations have been applied they have been adequately documented, but the process for Supply Chain Partners requesting a change is seen by management and by some Supply Chain Partners as overly informal. This could lead to contract variations being sought as a matter of routine, and with an expectation that all requests would be agreed. Management have identified this as an area to improve, and they are now developing more robust processes.

Good practice was found in the way NEWTEC defines performance expectations. The combination of accurate contractual documentation and a clear Supply Chain Strategy, which is read, understood and signed by Supply Chain Partners, has paved the way for clarity in the relationship at all levels, and results in the commissioner's expectations being delivered.

Because no formal challenges or disputes have arisen, Criterion 3.3 was not assessed. Documentation does however make reference to the procedures that would be applied in such instances.

PRINCIPLE 4: Fund

Funding and payment arrangements are seen as fair by the majority of Supply Chain Partners. Supply Chain Partners are paid for agreed outputs according to the contract in which they are engaged. This is either based on a monthly profile with a balancing payment at year end, or explicitly on outputs delivered. The arrangements applied are exactly as were expected by the Supply Chain Partners following their discussions during the procurement phase. These arrangements reflect the arrangements applied by the commissioner. Those Supply Chain Partners with profile payments recognise that this is more supportive of their financial risk, and whilst there was no dissatisfaction, it may be that NEWTEC could do more to recognise and address financial risk on the part of Supply Chain Partners who are paid exclusively on a payment after delivery basis. This is particularly relevant to smaller, independent Supply Chain Partners, and this is precisely the type of Supply Chain Partner that NEWTEC wish to engage with and develop.

The transfer of funds is efficient and timely and represents good practice. Supply Chain Partners raise monthly invoices and submit to NEWTEC where they are checked for accuracy and paid, or any queries dealt with. There was no evidence of volumes or pricing being uncertain. BACS transfers are utilised to make remittances to Supply Chain Partners, and Supply Chain Partners confirmed that they receive payments within the contractual terms. Most have no negative experiences of invoices being rejected or of erroneous or delayed payments. One has experienced payments taking up to six weeks to be processed, but this appears isolated and is currently being investigated by management.

"Without NEWTEC we couldn't be getting any of this funding. It was all so new to us at first" – Supply Chain Partner

The fees agreed are transparent, and Supply Chain Partners all understand that a management fee is applied. There is scope for fees to be individually negotiated, and this takes account of risk and experience of each Supply Chain Partner. Some, but not all, Supply Chain Partners realise that fees are open to negotiation, some had actively negotiated their position, whilst others had not. Fees in all cases were agreed before contractual documentation was issued and have been correctly applied in calculating net payments. Staff say the management fee includes provision of contractual and financial administration, quality assurance and compliance checks, learning and development support. Not all Supply Chain Partners were clear about what they received for the management fee; some had made assumptions, but all felt the fee was fair. It was found that not all members of the management team understood accurately the range of management fees that could be applied, or that were in place.

PRINCIPLE 5: Develop

There is good focus on the development of process and practices during the contract. For example, an English and Maths Strategy has been prepared that recognises and addresses organisational and individual inexperience across the supply chain in delivering these subjects. Registration documentation and ILP⁶ improvements have had positive impact, enabling Supply Chain Partners to become fully compliant having removed instances of ambiguity in process documentation. Supply Chain Partners were able to confirm that the processes and practices they are required to observe are being continuously improved, and that they have opportunities to highlight and be involved in improvements.

NEWTEC are supportive of the development of their Supply Chain Partners and demonstrate good practice in this respect. Examples of this include the current roll-out of the Student Performance Coaching programme, which will see supply chain staff trained to manage the process themselves, enabling them to appoint Student Coaches in their own delivery areas; this is likely to have positive benefits in other areas that Supply Chain Partners deliver beyond their contracts with NEWTEC. Staff remain focussed on alerting Supply Chain Partners to further opportunities, and to encouraging and supporting them in bidding for other work. One described how NEWTEC had encouraged them to bid for a particular Adult Education Budget opportunity, and has put this into their objectives for next year. In another example, one Supply Chain Partner had been encouraged and supported in investing in a GCSE teacher role, including getting support to develop the individual's skills, and that has led to a very positive impact. Senior leaders say they are passionate about developing the capacity of their Supply Chain Partners, and that they want to develop their independence and give them confidence and skills to bid successfully for other work. One said when asked about the implications of a Supply Chain Partner leaving the supply chain if they have success in bidding as a Prime- *"That would be a big success. What could be better than that?"*

"We have a fantastic teacher on board now thanks to their encouragement and support"- Supply Chain Partner

"They took us under their wings. Others wouldn't" -Supply Chain Partner

NEWTEC are proactive in developing the skills and competence of staff across the supply chain, and this is clearly recognised as a core responsibility. Staff explained how they review development needs of staff by reviewing all supply chain staff Curricula Vitae, and that a training schedule is in place with dates confirmed for the year ahead on specific topics. Workshops have been delivered to improve quality of completing ILPs and registration documents. One Supply Chain Partner who previously had the worst record for document compliance, now has 100% accuracy, and the average across the supply chain has increased to 76% from around 50% as a result of these workshops.

⁶ Individual Learning Plan

Learning and Development Weeks are held at NEWTEC premises when training sessions are held on themed topics, including safeguarding, equality and diversity and Prevent. Staff from all Supply Chain Partners as well as NEWTECs own staff attend together. New staff joining the supply chain attend NEWTEC's corporate induction process, in addition to their own employer's. NEWTEC monitor the effectiveness of learning interventions through the use of OTLAs⁷, which are non-graded and include direct verbal and written feedback for individual supply chain staff. Training in dealing with students with SEN⁸ statements has recently been highlighted as a training need through the OTLA process.

"They're really big on training. They demonstrate a sense of responsibility and pull us with them" –Supply Chain Partner

⁷ Observation of Teaching, Learning and Assessment

⁸Special Educational Needs

PRINCIPLE 6: Performance Manage

Communication within and across the supply chain are excellent, and all parties have clear, effective lines of communication. Supply Chain Partners are complimentary about speed of response whenever they may ask for support or raise a question. Multiple processes are in use, ranging from regular email updates to monthly KIT calls between Supply Chain Partners and their performance manager, to informal peer dialogue among delivery staff, stimulated by contact during Standardisation Meetings. Staff and Supply Chain Partners alike have absolute clarity about people's roles and responsibilities, and there is strong evidence of a highly positive and collaborative culture.

NEWTEC have clearly strived to create a culture that is open and honest, and have had great success in doing so. All their staff are seen as positive, supportive and approachable by Supply Chain Partners, and they say they feel comfortable to raise any issues, concerns, criticisms or comments without restriction, and without any concern for potential conflict. This is equally true of past Supply Chain Partners as well as present.

"I say it as it is, and never feel intimidated" – Supply Chain Partner

Performance review is effective, with regular monthly meetings taking place with all Supply Chain Partners. Meetings are well managed and seen as positive both by Supply Chain Partners and by staff. The supply chain also meets as a whole once per quarter, and this extends and enhances the performance review process, with supply chain performance as a whole being recognised and discussed. This process is still evolving, and attendance has been around 50% at the two meetings held so far; alternating locations is currently being considered as a way of increasing participation among Supply Chain Partners.

"Sometimes they need, and now value, tough love"-Staff

Management Information is now handled using the parent Newham College Group's MI system (ProMonitor), having migrated all data from NEWTEC's own system during 2017. Whilst there was some frustration and interruption to the availability of data temporarily, the project was well managed, and minor issues acknowledged and dealt with, caused minimal disruption. The timeliness and accuracy of data is satisfactory, albeit that one Supply Chain Partner commented that sometimes reports are available later than they would wish. It was unclear if the transition to the new MI systems will, or already has, overcome this. The MI system now requires further development to improve the range of reports available, and in particular to report on nine protected characteristics defined by the Equality Act. It also seems that some Supply Chain Partners now have to physically take delivery paperwork to NEWTEC, rather than input directly into the MI system as a result of this change. Management are in discussion with the parent company over further development, which is known to be within the capability of the system. In the meantime, NEWTEC staff analyse such data manually.

Supply Chain Partners generally confirmed that the sharing of practice was encouraged and discussed during supply chain meetings, but few could articulate any specific examples of where practice had been shared with others, or applied by themselves. There was a weaker link still between any shared practice and the impact that may have had on performance or quality of delivery. There was no doubt during the assessment that practice is shared, but it was found that the process surrounding this was under-developed and resulted in little recognition or memory of what practices have been shared, and what the impact has been.

"I like that meeting are scheduled for the year ahead" –Supply Chain Partner

NEWTEC prepare an annual SAR and QIP but the contributions made by individual Supply Chain Partners were inconsistently described. Some felt they had an input, whilst others felt the planning was done on their behalf, with the QIP being shared after production. Generally, Supply Chain Partners feel more strongly engaged in the QIP than in the SAR. The QIP itself effectively identifies planned improvements and allocated responsibilities to staff or to Supply Chain Partners, and this is monitored by the Head of Quality and Standards.

PRINCIPLE 7: Quality Assurance and Compliance

The approach NEWTEC take to updating Supply Chain Partners with legislative and regulatory requirements, and with any changes in the commissioner's policy or strategy is to use email briefings prepared by the Team Leader: Partners. Some of the Supply Chain Partners could remember being sent an email relating to the introduction of the Modern Slavery Act, and one believes they were informed of the introduction of GDPR and given some guidance about how to comply. However, the overarching sense gained from the assessment was that these communications have a low profile among the supply chain; it is likely that some have good links to such changes themselves and feel they do not need or want this kind of communication, and perhaps others simply cannot recall what has been communicated. Further development is suggested to raise the profile of legislative and regulatory updates.

The effectiveness of quality monitoring processes is good, and NEWTEC are particularly proactive and developmental in their approach. Staff carry out OTLAs of delivery staff with all Supply Chain Partners and give supportive feedback following these non-graded observations. Evaluation Forms (a common format for all Supply Chain Partners) are issued, collated and evaluated following student induction and classroom delivery sessions. In addition, the Ofsted Learner Views survey results are shared with the supply chain. Quality Assurance Staff are seen as more developmentally-focussed than compliance-focussed by Supply Chain Partners. However, they do maintain a keen eye on compliance, and their file audit processes are identifying issues that need to be addressed and raising non-compliances in a positive manner, and have improved the rates of unsigned or incomplete process documents. Practice in relation to monitoring the quality of delivery was found to be good.

"Audits are a useful process, and our compliance is much higher now" –Supply Chain Partner

Methods of providing IAG⁹ are process-based, and the same delivery model is used by all Supply Chain Partners. There is consistency in the implementation of student induction processes and in the conduct of mid-programme and exit reviews, all of which are key points at which students access IAG. These processes were consistently described by Supply Chain Partners and are embedded in their delivery. It was found that the commitment of Supply Chain Partners to gaining a relevant quality award, in particular the **matrix** Standard, was inconsistent. Contractual obligations do not include achievement of the **matrix** Standard, although some staff believed this was an obligation. One of the Supply Chain Partners explained that they are currently working towards **matrix** accreditation, that they had been encouraged to do so by NEWTEC and were receiving support from NEWTEC.

⁹ Information, advice and guidance

The primary means of ensuring the supply chain maintains effective policies and processes in relation to information security, health and safety, safeguarding and environmental sustainability is through the annual due diligence process undertaken by NEWTEC. The policies of Supply Chain Partners are collected and reviewed prior to contracting, and feedback is given on any that are considered weak or lacking in any aspect. In some cases, Supply Chain Partners have been supported through being provided with and encouraged to replicate or plagiarise NEWTEC's own policies and procedures, and some valued this as being particularly helpful for inexperienced organisations. The assessment did not find any evidence of Supply Chain Partners being encouraged or supported to gain information security or other relevant certifications, and this was attributed in part to NEWTEC's strategic commitment to gaining external awards and accreditations themselves to challenge management thinking, stimulate development and demonstrate competence. It is perhaps ironic that this highly proactive stance may have an overwhelming effect on smaller and inexperienced Supply Chain Partners, even confusing the messages about which particular certifications are considered the most appropriate and the most valued.

The evidence that policy reviews were effective in relation to the Modern Slavery Act was weak. All present Supply Chain Partners have turnover levels below the £36m threshold, and although it is not presently called for management felt less familiar with the requirements of the Act where compliance is required. This may become a weakness if and when larger Supply Chain Partners are engaged or considered. Among the arrangements described by staff to monitor the supply chain are checks of delivery staff Curricula Vitae and DBS Certificates and reviews as part of the due diligence process of policies including Staff Recruitment and Safeguarding. It was not entirely clear how such policy reviews relate to the requirements of the Modern Slavery Act. Managers appear to be making their best endeavours to follow the principles set out by the Modern Slavery act, but further development is recommended in order to more effectively monitor organisational adherence to the principles.

PRINCIPLE 8: Review and Close

The extent to which NEWTEC seeks feedback from all stakeholder groups is strengthened by the strategic intent of engaging with many external audits, awards and certifications. This generates a plethora of inputs, some of which are reflective of supply chain activities, although the majority are restricted to the operations of NEWTEC itself. In these cases, NEWTEC is able to reflect on its own practice, and make useful comparisons and projections relating to supply chain performance. More directly of relevance to the supply chain are the good use of customer (student) evaluation surveys, and the conduct of quarterly Shadow Board Meetings. These meetings include representation of students from across the supply chain, not only of NEWTEC students, as well as parents, staff and employers. Among improvements that have been implemented as a result are the increase in delivery of workplace health and safety qualifications and student-informed changes to the café menu. (It is worthy of note here that free lunch meals are offered to all students within the supply chain, the cost of which is covered by NEWTEC). The accelerated roll-out of the Performance Programme to all Supply Chain Partners was prompted by the Shadow Board.

The way in which NEWTEC assesses the impact the supply chain has on wider social objectives lacks structure, and only limited evidence was found against this criterion. Well established processes are in place for the tracking of destination data, but it was found that this relates to contractually specified outcomes in that the commissioner requires the supply chain to meet certain performance targets with regard to positive destinations, and to monitor and report on results. Hence, it was found that NEWTEC needs to do more to establish what wider objectives or policy intent the supply chain can or does impact upon, over and above contractual requirements. Some staff, and one of the Supply Chain Partner, offered suggestions as to how wider objectives are met, including enabling families to become financially independent and, through the work of Performance Coaches, promoting the value of learning among local, disengaged communities. No means of capturing or measuring such impacts was found however.

It was found that the supply chain recognises strongly the positive impact it has on intended customers (students), and is able to measure and report this accurately in terms of moving individuals into employment or further learning and in achieving qualification success. There is also a good level of understanding of the extent to which Supply Chain Partners themselves develop and build their capacity, and they are recognised as key stakeholders by NEWTEC. There was no evidence found or articulated as to the impact its operations have on the wider community however.

Policies and processes on equal opportunities and equality and diversity monitoring are embedded across the supply chain. Data on students and on staff are duly recorded, and in the case of students the data is collectively managed across the supply chain by NEWTEC. It was found that there are some significant imbalances in gender participation within the workforce and among students, this being heavily influenced by tradition. Whilst NEWTEC assert that they have a commitment to addressing imbalances, there was only minimal awareness across the supply chain of the importance or priority of this, nor of how it would be achieved. No supply chain targets were evident, but there was some evidence of intent within NEWTEC's own operations. For example, they are aware that only 5% of their own workforce are male, and are aiming to recruit more men into their nurseries. Management are somewhat frustrated that having changed to use the ProMonitor data system, they have temporarily lost some reporting power in relation to protected characteristics, yet this activity continues diligently but relying on manual evaluation of data.

A process has been developed to handle the end of the relationship with Supply Chain Partners, and this is documented in contract documentation, which includes reference to a Contingency Plan. In practice, not all inactive Supply Chain Partners appear to understand their current contractual relationship, and whilst this is not causing any bad feeling, and is not risking Supply Chain Partners delivering any aspect of service uninvited or inappropriately, it is disappointing that some ambiguity remains. This could be a function of a degree of contracting naivety on the part of some Supply Chain Partners, but they, and the supply chain as a whole, would be stronger if the relationship were more clearly explained. Supply Chain Partners anticipated that discussions and negotiations about the next year's opportunity would have started by the time the assessment was carried out, and some insecurity was beginning to emerge as delays in the award of at least one new contract were restricting progress. Some Supply Chain Partners had expected NEWTEC to be more communicative about this scenario, others had assumed it was because, as they said, "*their hands were tied*".

9. CONCLUSION AND CONDITIONS OF ACCREDITATION

NEWTEC can be proud of their achievement in this Initial Assessment. This is an organisation with strong ethics and principles, and with a refreshing commitment and passion for the development of small, independent Supply Chain Partners. It has approached its responsibilities as a Prime contractor professionally and competently, learning from shadowing another Prime, and seeking internal and external challenge to help it improve. The supply chain is now well placed to develop, grow and improve.

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@assessmentsservices.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.
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