



merlin standard

2018

**INTERSERVE WORKING FUTURES
LIMITED**

COMPACT REPORT

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1. KEY INFORMATION

Assessment Type	ACCREDITATION REVIEW
Assessor's Decision	STANDARD MET
Anniversary Date	27/06/2020
Assessment Dates	25/06/2018 & 27/06/2018
Lead Assessor's Name	PAUL HESP
Client ID	C11103
Assessment Reference	PN103644

2. ASSESSMENT OUTCOME

OVERALL OUTCOME	85% EXCELLENT
1. Design	83% Good
2. Procure	95% Excellent
3. Contract	90% Excellent
4. Fund	93% Excellent
5. Develop	73% Good
6. Performance Manage	91% Excellent
7. Quality Assurance and Compliance	80% Good
8. Review and Close	72% Good

3. METHODOLOGY

Interserve Working Futures Ltd 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.

100% of Supply Chain Partners were interviewed during the Assessment. This included three Tier 2 (end-to-end) Supply Chain Partners- two present and one past; and one Tier 3 (ad-hoc) Supply Chain Partner.

The Assessment Team comprised Paul Hesp (Lead) and Neil Potentier. The Assessment launched with an Opening Presentation given by the Senior Management Team, 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 Supply Chain Partners as follows:

- 6 Group face to face interview sessions with staff
- 4 Remote interview sessions with Supply Chain Partners.

This Assessment was carried out in tandem with that of Sencia Ltd, and some staff have responsibilities with both companies. The Assessments were carried out as two discreet Assessments, with a final feedback session covering both companies by agreement with the companies. See Section 4 below for more information about the organisation.

4. ABOUT THE ORGANISATION

Interserve Working Futures Ltd (IWF) was last assessed against the Merlin Standard in 2016, as part of "Interserve Learning and Employment". IWF is a wholly owned subsidiary of Interserve Service Futures Ltd, and its ultimate parent company is Interserve plc. IWF trades as Interserve Learning and Employment. IWF operates alongside and shares resources with Sencia Ltd, which also trades as Interserve Learning and Employment. Sencia Ltd's ultimate parent company is also Interserve plc.

IWF delivers Work Programme on behalf of DWP¹ in West Yorkshire. This programme has ceased taking new referrals and is now in its final stages, with activity volumes and revenues falling and contract delivery expected to end in September 2019. The number of Supply Chain Partners has reduced since the last Assessment, and there are now two present Supply Chain Partners providing end to end services. No new Supply Chain Partners have been engaged. IWF has undergone significant staff restructuring to address change in volumes, as have some Supply Chain Partners.

IWF contributes to Interserve plc's vision of redefining the future for people and places. It has a mission to:

Provide first class skills, employment and education services

Put employability at our core

Break down the barriers people face to greater prosperity and improved chances in life

Focus on tangible results, setting personal goals for our service users and creating the opportunities for them to be achieved.

Both IWF and its two Supply Chain Partners are delivering services, and a shared staff services model is used for management of the supply chain, including its own direct delivery. 75% of the supply chain volume is direct delivery, 25% is delivered by Supply Chain Partners.

¹ Department for Work and Pensions

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:

The arrangements through which agencies and organisations outside the formal supply chain are engaged are highly effective, enabling comprehensive support to be delivered for clients of the Work Programme. In addition to each provider establishing and developing their own appropriate relationships, IWF shares a Specialists Directory which has been developed with the input of all Supply Chain Partners and IWF staff. This includes a wide range of organisations that can deliver high quality support including on debt advice, mental health support and self-employment mentoring. Specialist support is an effective blend of highly localised knowledge and national provision. (1.2)

Despite having no requirements to introduce new Supply Chain Partners, IWF have remained vigilant and professional in applying very effective, ongoing procurement practice in relation to due diligence. This extends the rigour of the initial selection process. Staff have maintained an objective and impartial approach in conducting due diligence reviews and avoided potential complacency as the contract winds down. Supply Chain Partners recognise and value the integrity of IWF. (2.1)

Allocation of market share has been completely transparent and is considered fair by Supply Chain Partners. In situations where Supply Chain Partners have asked to hand back their contracts, and it has been agreed, consideration was given to reallocating clients to other Supply Chain Partners rather than automatically directly delivering. (2.3)

Negotiation of market share has been proactive. Although no volumes are assured in the Prime contract, IWF have allocated specific Supply Chain Partners to specific Jobcentre Plus offices, and all had the initial opportunity to negotiate which areas they were attached to. Supply Chain Partners say there has been complete transparency throughout, and there has never been any doubt over any party's expectations. (2.4)

Performance expectations are very clearly defined, both in contractual documentation and particularly through proactive dialogue. The regular meetings between Supply Chain Partners and their Contract Managers at IWF are used to reaffirm expectations as a matter of routine, and Contract Managers become involved in the briefing of new staff within the supply chain. (3.2)

Fees including management fees are transparent and clear to all Supply Chain Partners and the processing of claims and payments of fees is particularly accurate and timely. Supply Chain Partners have a clear understanding of what support is provided for the management fee and see it as fair. Supply Chain Partners have complete confidence in what they will be paid and when. (4.2, 4.3)

Performance management is excellent. Communications channels are very effective and proactively managed, and there is high consistency in the experiences of the different Supply Chain Partners. Meetings for different purposes are diligently scheduled and professionally conducted by the various parties. All Supply Chain Partners are clear about which staff are responsible for which functions despite staff changes. All Supply Chain Partners recognise and value the very positive and supportive culture that underpins their relationships. Data used for performance management is accurate and timely and is consistently agreed. (6.1, 6.2, 6.3, 6.4)

Linked to the establishment of very effective communications channels, IWF is particularly adept in keeping its supply chain up to date with legislative and regulatory changes and with news about the commissioner's strategy and policy directives. Good use is made of training and briefings, not only in providing information, to ensure that important changes are embedded. The key email newsletter "Quality Matters" underpins the communication of change, and is read with care and enthusiasm by Supply Chain Partners. (7.1)

6. AREAS FOR DEVELOPMENT

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

Whilst the training and development of staff within the supply chain has been approached effectively in the context of Work Programme delivery, it is suggested that the focus of staff development could be adjusted in future, given the lifecycle of the programme. Face to face delivery will be completing in March 2019 and all delivery should be complete by September 2019, and of course this means staff roles may change or they may become redundant. In considering the training needs of staff, the approaching end of programme and the individual employment prospects of delivery staff could be taken into account. It would be an appropriate and supportive gesture to turn attention to the needs of those staff, to support them in a transition from their current roles. IWF also has access directly and indirectly to skills and education funding that could be introduced to minimise financial burden. (5.3)

Modern Slavery legislation has been carefully considered and appropriate policies and communications developed throughout the supply chain workforce. However one aspect that the supply chain is in a position to positively influence may have been overlooked, that being the education of clients of the Work Programme who become self-employed. This group are likely to be relatively naïve entrepreneurs and business owners, and may come into contact with modern slavery in the course of operating their own businesses. The staff (Job Coaches) within the supply chain including a Tier 3 Supply Chain Partner provide mentoring and support in business start-ups, and this could readily be extended to include education in good practice in avoiding and eliminating modern slavery. (7.5)

The assessment of the impact the supply chain has on social values or other policy intentions of the commissioner is fragmented. It may be beneficial to collate examples from across the supply chain, and incorporate them into an annual or closure report. This would help avoid the inconsistent opinions expressed across staff and Supply Chain Partners. (8.2)

Equality and diversity monitoring would benefit from a more proactive approach. The diligence with which data is collected and monitored across the supply chain may have diminished as volumes have reduced, and no examples could be found of how the data had been used to inform improvements in the supply chain. Consideration could be given by IWF as to how it can demonstrate that its use of equality and diversity data leads to improvements for clients. One aspect to consider may be to increase focus on what the data may reveal about client outcomes. (8.4)

7. 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>The present supply chain is very small and hence offers minimal scope for diversity of Supply Chain Partners. However, the historic supply chain was well conceived and took into account access to local geographic footprints, experience and success in delivering welfare to work support and connections with local support networks. The supply chain has featured large and small organisations, public, private and third sector organisations. As volumes of clients on programme have decreased so too has the number of Supply Chain Partners. IWF demonstrated the principles of supply chain design also in their unsuccessful bid for WHP² contract, in which they had included large, small, charitable, public and private sector Supply Chain partners.</p> <p>When Supply Chain Partners have exited as a result of diminishing volumes becoming financially unsustainable for some, IWF took into account the existing capacity and determined that no new Supply Chain Partners were needed to complete the contractual obligations, but the use of local specialist agencies and organisations was proactively refreshed in the last year to enhance client options. The commissioner offered revised terms for running out the remaining contract in January 2018 and this was negotiated and accepted by IWF. This had impact upon the supply chain in that revenues were discounted and efficiency improvements were needed. IWF responded to this by introducing additional centralised support to increase client engagement, such as out of hours contact calls and home visits. Two Supply Chain Partners evolved their delivery model as volumes reduced, introducing a centralised call centre to support delivery operations, this being a more efficient means of making contact with referred clients.</p> <p>IWF are experienced and knowledgeable about TUPE and deploy effective strategies to deal with transfers of staff within the supply chain, making use of central expertise within the Interserve group to advise on detail of legislative requirements. There has been historic experience of handling TUPE transfers in the supply chain, but there have been no recent examples of transfers in practice. In the case of one Supply Chain Partner that exited last year, one member of staff was successfully transferred to ILE when the Supply Chain Partner withdrew because their property costs could not be supported by the much reduced revenues as the programme ceased taking referrals of new clients.</p>

² Work and Health Programme

Performance expectations are unambiguous, and the Delivery Partner Management Framework is a central reference point for Supply Chain Partners, in effect an operating manual. This includes clear processes for managing performance and under-performance. Each contract between Supply Chain Partners and IWF mirrors the Prime contract, and includes a Profile that prescribes the specific criteria on which performance is measured and on which claims and payments are based. Performance indicators such as conversion rates and the timeline for handling referred clients are set as MSLs³. Supply Chain Partners confirmed they were clear about the expectations. One Supply Chain Partner described how new staff had received additional support from their IWF Contract Manager to ensure they fully understood the performance requirements. IWF say they operate a “no surprise” culture.

When revised and discounted terms were accepted by IWF in January 2018 they were the result of a rigorous negotiation with the commissioner, following consultation with the Supply Chain Partners to identify risk and agree boundaries for negotiation. Supply Chain Partners agreed that the process was fair and in their best interests. Payment arrangements generally are considered fair, and payment terms were clear and transparent before contracting. In practice, Supply Chain Partners validated that payments are made on time, and are accurate. Particularly since acceptance of the revised terms, Supply Chain Partners say the financial risk has been minimised, and one commented that the new arrangement for protected payments is enabling better forecasting of cashflow.

³ Minimum Service Level

DO

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

IWF take a very supportive and proactive approach to supporting, developing and encouraging its Supply Chain Partners to fulfil their contractual obligations. A RAG⁴-rated caseload monitoring system is in place, and directs focussed discussions between IWF and Supply Chain Partners to ensure appropriate priority is given to clients most at risk of not achieving outcomes. The use of simple "league tables" both within the supply chain and nationally gives Supply Chain partners a clear view of how well they are performing compared to other providers. "How to" guides are prepared by IWF and issued to supply chain staff to reinforce user process tasks, and this has been particularly valued by one Supply Chain Partner. IWF staff have provided additional support to obtain evidence to validate claims centrally where it has proved problematic for Supply Chain Partners.

There is a positive culture across the supply chain. Supply Chain Partners are comfortable raising any concerns, and confirm that the conversations and interactions they have are honest and candid. IWF feel they have been sensitive and supportive to issues raised by Supply Chain Partners, and that is validated by Supply Chain Partners themselves. One Supply Chain Partner explained how their staff and managers valued the feedback gained from delivery observations, and that in this process criticism is always seen as constructive and developmental. Supply Chain Partners have been comfortable to raise concerns about financial sustainability when volumes decreased, and their decisions to exit have been respected.

Performance review arrangements are structured and effective. Performance management meetings are held monthly, and include discussion around caseload progress, MSLs and MPLs⁵. A robust Performance Improvement Plan process is defined in the Delivery Partner Management Framework, and whilst this is familiar to Supply Chain partners no recent examples of its formal use were found. One Supply Chain Partner however according to staff had been subject of a performance concern at the end of 2017 when results had slowed. IWF visited the Supply Chain Partner to raise their concern, and this had the effect of refreshing performance levels; the cause of performance levels dropping was attributed to the reduction in volumes, and the reduced management focus the small provision attracted internally. Normal performance levels were restored within two months. Another explained that the PIP process had twice been used to recover fallen performance levels, successfully and positively each time.

⁴ Red Amber Green

⁵ Minimum Performance Level

Management Information Systems provide reliable and readily interpreted data for Supply Chain Managers, and reports and data can be accessed directly by Supply Chain Partners, who also input directly into the system. A suite of Reports has been developed to present key and operational data to Contract Managers and Supply Chain Partners. Supply Chain Partners see the overall performance of the supply chain as a whole, in addition to detailed operational reports against KPIs for their own delivery. IWF push weekly performance reports to all Supply Chain Partners, a change from arrangements when volumes were much higher at which time daily reporting was in use, and demonstrating flexibility in adjusting systems to suit different circumstances.

A Quality Assurance Framework has been developed, and this provides a range of assurance activities across the supply chain. Client feedback surveys are conducted, and the results shared with Supply Chain Partners each quarter. A Quality Review Meeting takes place with each Supply Chain Partner each quarter. Observations of delivery staff take place during a day in each Centre, planned in advance to optimise appointments with clients. This enables IWF staff to observe delivery and provide recorded feedback to delivery staff and management (observations are graded 1 to 4), and client forums are also arranged when a small group of clients are consulted directly by IWF staff about their experience of the programme. Desktop file audits are also carried out. Findings of Quality Reviews are shared with Supply Chain Partners individually, and trends are collated and used to identify topics for Best Practice Days, to which all Supply Chain Partners are invited. For quality purposes, completeness, accuracy and integrity of records is a key focus, and in West Yorkshire the supply chain has now improved from 91% to 97% compliance levels.

REVIEW

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

There is a lack of clarity in how IWF assesses the measurable impact of its supply chain on the wider social objectives or policy intent of the commissioner. IWF staff suggested that "Good News Stories", which are branded case studies, demonstrate social impact. These tend to feature individual clients who have overcome particular barriers to find sustainable employment, or entered self-employment, and whilst that should be celebrated it should be seen as a contractual obligation rather than an example of wider social impact. In the Self-Assessment Questionnaire, IWF asserted that the percentage of clients feeling safe in Centre was a measure of social impact, and a number of testimonials as to client satisfaction and achievements were cited from Client Feedback. These too are relatively narrow in the context of wider social objectives.

The examples above may have more value in indicating the positive impact of the supply chain on the intended client groups than on wider social objectives. IWF collates examples of how it has supported communities indirectly through the training of staff in awareness of homelessness, drug and alcohol misuse and mental health. Such examples are collated and distributed, with limited awareness among Supply Chain Partners. However, these are fragmented examples of impacts, and would be more meaningful if similar examples across the whole supply chain were collated and shared, both internally and externally.

8. CONCLUSION AND CONDITIONS OF ACCREDITATION

IWF has demonstrated continuing commitment to the principles of the Merlin Standard and dealt with change in the contract life cycle well. Despite volumes and revenues significantly reducing, and staff restructuring, management of the supply chain has remained diligent and effective.

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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