



merlin standard

2018

**THE SHEFFIELD COLLEGE**

**COMPACT REPORT**

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## 1. KEY INFORMATION

Assessment Type	INITIAL ASSESSMENT
Assessor's Decision	STANDARD MET
Anniversary Date	17/08/2020
Assessment Dates	15/08/2018 – 17/08/2018
Lead Assessor's Name	PAUL HESP
Customer ID	C19120
Assessment Reference	PN103678

## 2. ASSESSMENT OUTCOME

OVERALL OUTCOME	72% GOOD
1. Design	63% Satisfactory
2. Procure	73% Good
3. Contract	80% Good
4. Fund	93% Excellent
5. Develop	73% Good
6. Performance Manage	71% Good
7. Quality Assurance and Compliance	64% Satisfactory
8. Review and Close	56% Satisfactory

### 3. METHODOLOGY

The Sheffield College (TSC) 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 28 were invited to participate. 13 (46%) Supply Chain Partners responded. 11 (39%) Supply Chain Partners were interviewed during the Assessment, all of these being present Supply Chain Partners. In total, across interviews and survey responses 15 Supply Chain Partners contributed to the Assessment, representing 54% of the supply chain. Among the declared supply chain there was one past Supply Chain Partner, and they declined the interview invitation. No potential Supply Chain Partners were declared.

The Assessment was undertaken by two Assessors (Paul Hesp and Andy Richardson) over a period of 2¼ days. Reviews of documentary evidence were included during the Assessment period, and interim feedback was provided to the Coordinator daily.

The Assessment launched with an Opening Presentation given by the Coordinator and Senior Team. Each Assessor spent 1¾ days gathering evidence against the Standard through interviews with Staff and Supply Chain Partners. The Assessment concluded with verbal feedback being given by the Assessment Team and discussed with members of senior management on the final morning.

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

- 4 remote and 5 face to face interview sessions with staff (some individually, some groups)
- 8 remote and 3 face to face interview sessions with representatives of present Supply Chain Partners

Supply Chain Partners who were interviewed and who responded to the survey were representative of all programmes in which a supply chain is used, namely 16-18 Study Programme, Adult Education Budget and Apprenticeships.

## 4. ABOUT THE ORGANISATION

The Sheffield College (TSC) is a relatively large, general Further Education College based in Sheffield, South Yorkshire. TSC supports around 16,000 learners annually across its provision, which includes full time vocational courses, Apprenticeships, English and Maths, Employability, Professional Training, Workforce Development and, in partnership with Sheffield Hallam University, some Higher Education provision.

TSC was previously accredited against the Merlin Standard from February 2016 to February 2018 and came forward for accreditation voluntarily after a short break in accreditation rather than because of any contractual requirements. TSC have achieved an improvement in their Merlin assessment overall outcome, moving from Satisfactory to Good in this assessment.

There has been some significant change in the College since it was last accredited, in particular it became the first Lead Provider of Collab (previously known as the 157 Group), championing Collab's National Apprenticeship Solution. Through membership of Collab, TSC accesses other members, typically larger Further Education providers, as well as independent sub-contractors, and creates and manages supply chains to deliver the needs of employer organisations that have been introduced by Collab. There has also been a management restructuring of the College, including a change of Principal and CEO (now a combined role) and changes within the Executive Leadership Team.

TSC delivers much of its provision directly, and has capability across six vocational areas: Engineering, Construction, Business & Professional, Health, Social Care & Education, Applied Science & IT and Hospitality & Catering.

Supply chains are used to extend the delivery of learning programmes, both in terms of geographical footprint and the technical offer. By utilising supply chains, TSC aims to be more responsive to large employers' needs, engaging with other Colleges and educational providers to deliver across the country to nationwide employer locations. In addition, it is able to extend its local and regional delivery of AEB<sup>1</sup> and Study Programme, engaging with specialist independent providers. Funding flows into the supply chains via ESFA<sup>2</sup> contracts and from the Apprenticeship Levy.

At the time of Assessment there were a total of 28 Supply Chain Partners, one of which was a past Supply Chain Partner. The 27 present Supply Chain Partners account for delivery of 3.9% of 16-19 income, 9.5% of AEB income and 14.1% of Apprenticeship income.

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<sup>1</sup> Adult Education Budget

<sup>2</sup> Education and Skills Funding Agency

## 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 where the maximum score of 5 (excellent) was achieved:

The arrangements for funding and application of management fees are particularly sensitive to cashflow and financial considerations of smaller Supply Chain Partners. Management demonstrate very good practice in managing financial risk, and apply transparent, flexible and supportive approaches. (4.1)

There is excellent transparency over management fees, and all Supply Chain Partners are aware of what support is provided in return for the fee by TSC, and of the policy on fees. Fees are determined on a risk basis, against a published tariff that takes into account the contract value and level of quality assurance and other support each Supply Chain Partner requires, and the subcontract team are proactive in applying their discretion. This criterion was also scored highly by Supply Chain Partners in the Supply Chain Survey. (4.3)

Communications between TSC and their supply chains are excellent. TSC have created honest, professional and performance-focussed relationships, with the result that Supply Chain Partners and TSC staff have complete clarity about performance levels and operational matters. Communications are highly effective and efficient, and personal relationships are very strong at all levels. (6.1)

There is a very positive, open and transparent culture in all TSC supply chains. The culture created encourages Supply Chain Partners to be candid and open in all aspects of their relationships. The positive and open culture also extends to employers, who are heavily involved and fully engaged. (6.2)

## 6. AREAS FOR DEVELOPMENT

A number of areas where further development would be beneficial were identified during the Assessment. These are for TSC to consider as a contribution to continuous improvement. The numbers in brackets refer to the criteria of the Standard where a score of 3 (satisfactory) was achieved:

Diversity in the range of organisations included within TSC supply chains is quite limited, being dominated by Colleges and the private sector. There is scope to broaden the range of different organisations, to include for example third sector and charitable organisations that may have reach into different communities from mainstream providers. There may also be an over-reliance upon Tier 2 (end to end) providers to source their own networks for comprehensive support, although not all have the experience to do so effectively. Consideration could be given to engaging other organisations in Tier 3 and Tier 4 to support smaller Supply Chain Partners with specialist services that may be of benefit to learners. (1.1, 1.2)

More input could be gleaned from Supply Chain Partners during consultation over supply chain design, and this is an opportunity to become more innovative, and to challenge “traditional” Further Education thinking. More could be done to facilitate and positively encourage collaboration between Supply Chain Partners, and benefits such as those which are seen in collaboration between TSC and individual Supply Chain Partners could then be extended across the supply chain. (1.3, 1.4)

Core principles and behaviours are well defined within TSC as an organisation, but across the supply chain these are implicit. It may be beneficial to engage Supply Chain Partners more fully in considering whether TSC’s own principles, values and behaviours are mutually agreeable as they stand, and adapting or reinforcing and then communicating them across the supply chain. (1.5)

Some Supply Chain Partners were fully aware of the rationale in use, but others said they did not know how or why market share was allocated. None expressed concern, but those who are physically closest seem to be better informed than the more remote Supply Chain Partners. TSC may wish to reflect on this and consider how they can achieve more consistent awareness across the supply chain. (2.3)

Whilst examples of individually-targeted learning and development interventions were found, there are learning resources available at TSC and among the supply chain that could be more proactively shared. Instigating a supply chain training needs analysis, potentially to be included or appended to the annual SAR<sup>3</sup>, would help promote the spirit and intention to develop staff. A further opportunity to increase uptake of available online training modules would be to consider proactively providing user credentials for all supply chain staff to access TCS online resources, rather than rely upon Supply Chain Partners to request support. This gesture may also have significant goodwill value, and minimal financial cost. (5.3)

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<sup>3</sup> Self-Assessment Report

There is variation across the supply chain in the frequency of performance reviews, notwithstanding the good practice of a risk-based approach to reviews. It may be that logistics are a significant factor in the ease or otherwise of conducting reviews of distant Supply Chain Partners, but in the context of a College that is committed to growing its national delivery footprint, this would be an important arrangement to perfect. It may be that remote review approaches can be further developed and implemented as part of a general improvement in this respect. (6.3)

It is acknowledged that performance is high across the supply chain. The number of examples where performance management has led to improved performance was somewhat limited. There are opportunities for TSC to be more proactive in encouraging the uptake of good or innovative practice by other Supply Chain Partners, in particular, monitoring the uptake and positive impact of adopting new practices and publicising this across the supply chain, may encourage more innovation among the supply chain. (6.5, 6.6)

Although TSC and their Supply Chain Partners maintain environmental sustainability targets, the approach could be made more effective by developing a range of supply chain-wide targets. If TSC were to agree some common, measurable targets relating to environmental sustainability, the supply chain would be able to demonstrate that it not only has a high-level or in-principle commitment, but is taking effective actions. (7.4)

Supply Chain Partners are expected to submit their SARs annually, and some but not all say they have been asked to submit external accreditation reports, for instance from awarding bodies. TSC can strengthen its approach to seeking feedback from a wider range of stakeholder groups by reviewing external audit and assessment reports, and using these as a further means of identifying potential improvements to practice. (8.1)

Within the College annual EDI<sup>4</sup> Report there is data demonstrating the positive impact on intended customer groups. This data is inclusive of all delivery, not only that of the supply chain, and it does not (expectedly) relate to the wider community in which the supply chain operates. TSC's subcontract team could consider building on the relevant content and presentation of this Report, and tailoring it to the activities of the supply chain and impact on the wider community. In addition, there is a level of experience in the use of the SROI<sup>5</sup> model within the supply chain that may be valuable in taking this forward. TSC is competent and diligent in collecting and analysing inclusivity data, and has identified appropriately some specific gaps to be addressed. Supply Chain Partners are unaware of the specific improvements TSC are seeking, and hence are not engaged in implementation of the plans. TSC may wish to consider how to communicate equality and diversity targets or ambitions to the supply chain, and to overtly solicit their support in achieving improvements. (8.3, 8.4)

In practice there are appropriate arrangements taken at the end of contractual relationships. The intent of TSC in relation to longer-term relationships with Supply Chain Partners however is unclear to some Supply Chain Partners. TSC could strengthen their relationships by including robust dialogue at the beginning of contractual relationships to reinforce and clarify how it would like to handle relationships post contract closure. (8.5)

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<sup>4</sup> Equality, Diversity, Inclusivity

<sup>5</sup> Social Return on Investment

## 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 - satisfactory). The numbers in brackets refer to the criteria of the Standard:

Some Supply Chain Partners have little or no awareness of, or engagement with, the annual QIP<sup>6</sup>. To improve this, it would be beneficial to clarify to Supply Chain Partners what specific input from their own SARs has been taken into the annual supply chain SAR. Staff could brief and copy all Supply Chain Partners on the QIP, potentially creating a round-table event to consider and gain buy-in to the QIP. This has the potential to significantly increase engagement of Supply Chain Partners in implementing the QIP, and it may also be that some sub-groups could be warranted. (6.7)

There was insufficient evidence to show that TSC is meeting the Criterion in relation to the Modern Slavery Act. TSC itself is in scope for full compliance with the Act but has yet to publish an Annual Statement. There is an absence of a clear strategy or policy in relation to how it will monitor the compliance or adherence of its supply chain activities. Management need to develop a clear strategy to define what they expect of their Supply Chain Partners in relation to the Act, to communicate that to the supply chain, and to develop a means of assuring themselves of compliance or adherence. In addition, TSC may wish to consider the relationships that supply chain staff have with employer organisations whilst delivering Apprenticeships, and take a view as to whether this could be a focus for promoting anti-slavery and human trafficking awareness. (7.5)

There was limited evidence that TSC have embraced the concept of wider social objectives and how the supply chain impacts on these, and on the policy objectives of the commissioner. TSC should clarify their interpretation of the commissioner's policy intent, and of wider social objectives, and then collect and share relevant information and data. It may be appropriate to prepare an annual report, and to publish this within pages of the website that are directly managed by the TSC subcontract team, potentially combining it with information relating to criterion 8.3. The team would then be in a position to signpost any interested parties to the report. (8.2)

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<sup>6</sup> Quality Improvement Plan

## 8. FINDINGS

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

PLAN
<p><b>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.</b></p>
<p>When designing supply chains for AEB and for Apprenticeships delivery, TSC has given consideration to the size and sector of its Supply Chain Partners. It has achieved a broad range of Supply Chain Partners, ranging from micro businesses to large Further Education Colleges. Between them a wide range of vocational sectors are covered, and this, as well as the geographical location of Supply Chain Partners, supports the supply chain objective of delivering a holistic workforce development offer for large employers. There is no representation of third sector or charitable organisations however (other than Colleges which are technically charities), and this may restrict the capacity of the supply chain, particularly in AEB, to reach and fully engage with “harder to reach” learners.</p> <p>The key formal process through which supply chain design is reviewed is a quarterly monitoring meeting with the Executive Team. This is a new approach, introducing challenge and rigour in maintaining not only strategic oversight but operational focus on delivery performance. Other than this, review of supply chain design is to a limited extent embedded informally into performance review meetings, where the focus is more on individual programme design than a holistic review of the overall supply chain.</p> <p>TSC make good use of KPIs<sup>7</sup> in defining performance expectations within contracts, typically specifying timeline, volume and pricing, and in particular defining a measure for success rates of 90%. Expectations relating to quality are also made clear, for example a condition of contract is that if the <b>matrix</b> Quality Standard is not held, the Supply Chain Partner must achieve it within six months. Supply Chain Partners across all delivery programmes confirmed that their performance expectations were made clear, and this criterion attracted high scores in the Supply Chain Survey.</p>

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<sup>7</sup> Key Performance Indicators

Arrangements for funding and payment are especially fair and proportionate, and TSC have taken particular care to be sensitive to potential financial risk, both to the supply chain and to itself. An annual financial risk assessment is carried out for each Supply Chain Partner to underpin the management of good practice in this area. TSC have developed a risk matrix that is used to restrict financial exposure to both parties, by limiting the maximum contract values permitted according to assessed risk. In one case, an example of supportive management was described by staff, of a Supply Chain Partner having their payment frequency altered from monthly to quarterly, being considered by both parties as a more proportionate arrangement; in this case, the administrative burden was relieved on both parties, and TSC were mindful that because of particularly low volumes, there was no adverse cashflow impact.

## DO

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

There is a strong focus on supporting Supply Chain Partners to fulfil their contractual obligations. One Supply Chain Partner described how they were encouraged and supported in designing a programme to deliver a new Apprenticeship Standard and move away from Frameworks, and this led to a significant increase in income per learner and a tripling of learner numbers. Systems for administering the contracts have been developed by TSC including the use of *Sharepoint*, *ProMonitor* learner management suite and an internally-developed Progress Tracker spreadsheet. Supply Chain Partners appreciate these investments and developments, and some are aware of ongoing developments, one describing how in the current development of *Dropbox* as an information-sharing resource, progress was being hampered by the implications of GDPR. Some Supply Chain Partners enthusiastically recognise that their own business processes are improving because of their experience with TSC. Supply Chain Partners scored this criterion highly in the Supply Chain Survey.

TSC have created an honest, professional and performance-focussed culture in all its delivery areas, and this encourages Supply Chain Partners to be honest and candid in their dealings with TSC and with other agencies; this was seen first-hand by the Assessor Team, with both TSC staff and the supply chain interviewees sharing some candid and critical views of some aspects of their relationships and roles. In cases where poor performance was being addressed, Supply Chain Partners were able to confirm that relationships remained positive. In the case of Apprenticeships, employers are fully engaged with TSC staff who proactively manage their account on behalf of the supply chain, and hold monthly Skype calls to help manage the relationship. This engagement introduces a further dimension to the overall culture; one of alignment, integration and accountability for employers' expectations.

The frequency of performance reviews is nominally monthly, but can be varied to quarterly at the discretion of the subcontract team as and when consistently high performance is demonstrated. Likewise, performance review frequency can revert to monthly or even more frequently should performance levels fall and justify increased management. This is a risk-based approach. There appears to be some inconsistency in how performance reviews are managed, and this is likely to be attributable to challenging logistics in visiting distant locations. However, there is also an increasing use of remote communications, including *Skype for Business* with associated video and file-sharing technology. Further exploitation of this technology could address inconsistencies. Some Supply Chain Partners expressed surprise, but not concern, that they have not had a performance review more frequently. Performance reviews are seen as supportive and constructive by the majority of Supply Chain Partners, who say they are well-prepared, having received a performance report from the subcontract team in advance. Typically, the data-rich bespoke report guides two-way discussions around performance levels.

Discussion around performance are held in the context of established benchmarks, and in the knowledge of external benchmarks including national provider data from ESFA sources, as well as within the contractual requirements of each Supply Chain Partner contract.

Supply Chain Partners are consistent in confirming that performance information produced by TSC is accurate and reliable. TSC make use of the *ProMonitor* suite of learner management solutions to handle management information, and produce a range of exported bespoke reports for the benefit of Supply Chain Partners. Performance data includes a range of measures such as attendance levels, learner progress towards qualification, percentage of off the job training. Data is reported to TSC by Supply Chain Partners via spreadsheets, and then input into MI systems by TSC staff; this causes a slight delay in the availability of meaningful reports, and could potentially be speeded up in future if Supply Chain Partners were enabled to input data directly into MI systems. Good use is also made of the *Sharepoint* extranet application, as a repository for shared performance information, with access to this being provided to all Supply Chain Providers.

There is a generally good approach to the quality assurance of supply chain activities, and there is recognition that the level of scrutiny should be proportionate to the track record and risk of individual Supply Chain Partners. Quality Assurance is provided by the College faculty staff, each faculty having its own team of QA staff. TSC apply a policy that increases or reduces the frequency of planned QA<sup>8</sup> visits according to the findings of each visit or audit. Visits typically include an audit of case files, observations of delivery (OTLAs<sup>9</sup>), and a walk-through of the student experience. In some cases, where feasible, staff also talk to a small group of learners to get feedback on their experience. QA visits and audits are scheduled; one Supply Chain Partner confirmed that they had a visit planned for the end of the month, and learner files have been pre-selected by TSC by review in readiness. Most Supply Chain Partners see the QA arrangements as fair, proportionate and robust, however some voiced surprise that it had been a considerable time since the last visible QA activity, suggesting some inconsistency on the part of TSC. QA activity improves the quality of delivery, one example being an OTLA that identified poor delivery standards with one member of staff; in this case, the Supply Chain Partner was supported in retraining and developing, resulting in raising standards to what the Supply Chain Partner described as "very good" over a period of two months.

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<sup>8</sup> Quality Assurance

<sup>9</sup> Observations of Teaching, Learning and Assessment

## REVIEW

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

There was only limited evidence of TSC assessing the impact of supply chain activities upon the wider social objectives or policy intent of the commissioner. In discussions with some Supply Chain Partners it was apparent that there has been some insight and discussion between them and TSC about the impact of activities on local community, particularly in relieving levels of high unemployment, as was the case when recruiting hard to reach new employees and training them for employment in a major new contact centre. A Supply Chain Partner had recorded measurable impacts upon communities in terms of joblessness, and had recognised that this compensated to some extent for the negative impacts of increased traffic flows because of the employer's associated retail store. There was a lack of direction over where to record, share or publish such assessments. It may be that because it is not a requirement of the commissioner, it was not seen as a priority. However there may well be stakeholder engagement value in proactively sharing impacts on the wider social objectives with the commissioner, and with other stakeholders.

TSC meets the Criterion in respect of the positive impact the supply chains have on intended customer groups, but can improve further especially in relation to impacts on wider communities and external stakeholders. In respect of impacts on intended customer groups, there is some relevant data included within TSC's annual EDI Report, and within the annual SAR. These data relate to, for example, success and progression rates and moving people into employment. Albeit the EDI report is published for other reasons, and has relatively low recognition by the subcontract team and no recognition among Supply Chain Partners, it does demonstrate an effective presentation style that could inspire future reporting in a more discreet manner. In relation to wider community impacts and impact on external stakeholders, no evidence was found.

## 9. CONCLUSION AND CONDITIONS OF ACCREDITATION

There has been significant change in senior management and in management structure at The Sheffield College, and it is apparent that the refreshed Executive Leadership Team are beginning to make a positive impact. During a period of transition, there has been an overall improvement in the scoring against the Merlin Standard (from 69% when last accredited to 72% now), and as a result TSC is now graded as Good, comparing very favourably with their previous grading of Satisfactory.

### 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
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