



**merlin standard**

**2018**

**CXK LIMITED**

**COMPACT REPORT**

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## 1. KEY INFORMATION

Assessment Type	ACCREDITATION REVIEW
Assessor's Decision	STANDARD MET
Anniversary Date	14/9/2020
Assessment Dates	5/9/2018 – 6/9/2018
Lead Assessor's Name	PAUL HESP
Customer ID	C11943
Assessment Reference	PN103729

## 2. ASSESSMENT OUTCOME

<b>OVERALL OUTCOME</b>	<b>82% Good</b>
1. Design	80% Good
2. Procure	80% Good
3. Contract	90% Excellent
4. Fund	80% Good
5. Develop	87% Excellent
6. Performance Manage	86% Excellent
7. Quality Assurance and Compliance	80% Good
8. Review and Close	72% Good

### 3. METHODOLOGY

CXK Limited (CXK) nominated a Coordinator to support the planning and scheduling of the reaccreditation review. The Coordinator submitted a Self-Assessment Questionnaire, and Pre-Assessment Notes based on this were shared before the reaccreditation review 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 reaccreditation review, a survey was carried out of the Supply Chain Partners, and all 17 were invited to participate. Four Supply Chain Partners responded. Due to the low response rate (23.5%), the scope of the planned reaccreditation review was extended in order to increase the number of Supply Chain Partners interviewed.

In all 12 Supply Chain Partners were interviewed during the reaccreditation review, representing a total sample size of 63%. This included 8 present and two past Supply Chain Partners. No potential Supply Chain Partners were declared when the reaccreditation review was booked, but two were identified during the reaccreditation review and interviews with both were carried out.

The reaccreditation review was undertaken by two Assessors (Paul Hesp based on site at CXK's offices in Ashford, Kent, and Lorna Bainbridge working remotely) over two days. Reviews of documentary evidence were included, and interim feedback was provided during the reaccreditation review.

The reaccreditation review launched with an Opening Presentation given by the Coordinator and Senior Team. Each Assessor spent 1½ days gathering evidence against the Standard through interviews with Staff of CXK and Supply Chain Partners. The reaccreditation review concluded with verbal feedback being given by the reaccreditation review team, and discussed with members of senior management.

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

4 remote and 5 face to face interview sessions with Staff (some individually, some groups)  
12 remote interview sessions with past, present and potential Supply Chain Partners.

## 4. ABOUT THE ORGANISATION

CXK Ltd is a registered charity and not-for-profit company based in Ashford, Kent. A range of services are delivered across the South-East, aimed at supporting young people, adults, children and families. The mission statement, vision and strategic aims of CXK have been refreshed since the last Assessment, following changes in senior leadership and a management restructure. CXK's mission is *"Inspiring people to thrive"*, and its vision is that *"Everyone has access to what they need to maximise their potential. Through support and guidance CXK empowers individuals and strengthens communities"*. The "CXK Way" has been developed as a way of communicating its values, and is defined as: *"We are passionate, efficient and transparent. We display integrity, resilience and innovation."*

At the time of the reaccreditation review CXK was managing a supply chain delivering the National Careers Service, and that contract was coming to an end, with a new contract in an adjusted regional delivery area, which is due to go live on 1 October 2018. 10 Supply Chain Partners were involved in delivery of the current contract, and four of these together with two others will be involved in the new contract. CXK completed delivery of a National Citizens Service contract in September 2017, and seven Supply Chain Partners have exited. CXK have not continued in their role as Prime Contractor for this service, instead operating as a Supply Chain Partner to a new Prime Contractor. At the time of the previous Assessment, a locally-commissioned project (Young Healthy Minds) was being delivered through a supply chain, and this was completed more than one year ago. In scope for this reaccreditation review were the current and new National Careers Service contracts, and the completed National Citizens Service contract.

The current National Careers Service contract covers Kent, Essex and East Sussex, and the forthcoming contract will cover a somewhat modified area, excluding Essex but extending into West Sussex, Hampshire, Surrey and Thames Valley. The split of delivery on the current contract is 55% direct delivery, and 45% through Supply Chain Partners, in line with the new organisational policy of delivering at least 50% directly. For the new contract, the plan is to begin with a ratio of 50/50, and pre-contract negotiations were being finalised during the time of the reaccreditation review. The completed National Citizens Service was delivered 19% directly and 81% through Supply Chain Partners.

CXK are not mandated by their commissioners to hold the Merlin Standard, and came forward voluntarily for this reaccreditation review.

## 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:

CXK's supply chains are highly diverse, and this has come about by the application of strong design ethics. Supply chains are inclusive of large and small organisations, some with relatively little experience. There is representation of private, public and charitable sectors. (1.1)

CXK take a particularly proactive stance in negotiations prior to contracting, and Supply Chain Partners have found this to be a highly constructive and amicable process. As a result of this approach, the Supply Chain Partners and CXK are absolutely clear about each other's expectations prior to contracting. At the point of contracting, and throughout the contractual period, Supply Chain Partners are completely clear about the performance expected of them. (2.4, 3.2)

The strategy for managing the transfer of funds is highly effective and as a result of system improvements Supply Chain Partners receive accurate and timely payments throughout their contracts. (4.2)

CXK is particularly effective in supporting Supply Chain Partners to fulfil contractual obligations. There is an inclusive approach to the ongoing development and improvement of systems and processes that have had benefits not only in the life of the contract, but in some cases given Supply Chain Partners valuable experiences on which they can build to improve their own business performance beyond simply the immediate contract. (5.1)

The approach to staff development across the supply chain has been strengthened, and now the Observation process has been refocussed to monitor the impact of learning and development interventions. Delivery staff have access to a broad range of topical and essential development opportunities and Supply Chain Partners value and are enthusiastic about the support provided. (5.3)

Culture and communications across the supply chains are honest, professional and performance-focussed, with the result that Supply Chain Partners and CXK staff have complete clarity about performance levels and operational matters. The positive culture encourages Supply Chain Partners to be candid and open in all aspects of their relationships, including in their full engagement in regular and effective performance reviews. (6.1, 6.2, 6.3)

The management of communications is very effective, and because the level and frequency of communications has been well judged, Supply Chain Partners recognise and respond proactively to all alerts of changes in funding, regulatory and legislative matters. (7.1)

Methods for providing information, advice and guidance (IAG) are particularly effective. It is CXKs policy that all Supply Chain Partners are **matrix** Standard Accredited, and the Quality Assurance and Compliance processes both ensure that delivery practices are good. There is a strong focus on IAG during OTLAs<sup>1</sup> and in File Audits. The provision of IAG to the supply chain is also a strength, supported by highly effective communications systems. (7.3)

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<sup>1</sup> Observations of Teaching, Learning and assessment

## 6. AREAS FOR DEVELOPMENT

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

The core values and behaviours of the supply chain have a relatively low profile among Supply Chain Partners. CXK may wish to consider how they could raise the profile of its core values and behaviours, clarifying and agreeing the principles with all Supply Chain Partners, and potentially reinforcing them through permanent visual display on the log-on or home screen for users of the updated YETI management information system when it is launched in the near future. (1.5)

Few Supply Chain Partners had a clear understanding over the proportion of the contracts delivered directly by CKX compared with that which is delivered by the supply chain. Clarifying the split, and any changes that may happen over time, should be simple to achieve and may have some benefit in demonstrating the level of first-hand experience CXK have, as well as reinforcing the rationale behind market share allocation. (2.3)

The level of fees charged to Supply Chain Partners are set by policy and agreed before contracting. There was a level of naivety among some of the Supply Chain Partners over what they receive for their fee. Consideration could be made clearly communicating the support / services provided by CXK in return for the management fee. In addition, CXK may wish to consider a scale of fees, as an alternative to the current global fixed fee. This could be designed to recognise that different organisations require different levels of support in fulfilling their contracts. Organisations requiring the least support could be charged a lower fee than those who require the most, and it may be attractive in addition if fees could be renegotiated during contracts as support needs change. (4.3)

In supporting Supply Chain Partners to evolve and build their capacity, few have been introduced to additional funding opportunities. In its own business development and market research activities, CXK frequently comes across other funding opportunities, which may or may not be of interest to itself. Some of those opportunities could be of interest to Supply Chain Partners, particularly in the case of those who do not have access to or a good understanding of tender portals. CXK could consider distributing opportunities within the supply chain as an information service. (5.2)

There is a robust Self-Assessment Report (SAR) process in place, in which Supply Chain Partners are engaged. The resultant a Quality Improvement Plan (QIP), which is shared with the supply chain, is a lengthy document containing over 60 items. Although aware of the existence of the QIP, and of some discussion around it, not all Supply Chain Partners feel engaged in its implementation. CXK may wish to reflect on whether the length of the document could appear intimidating, or makes the process of prioritising actions complex for some Supply Chain Partners, and potentially for Staff. Different approaches could help simplify the QIP and reduce its size, among them could be extracting from the "master" QIP a "priority" QIP which focuses only on the most important and urgent actions. A smaller document may be more engaging for Supply Chain Partners and simpler to manage. (6.7)

The effectiveness of strategies, policies and processes to maintain information security, health and safety, safeguarding and environmental sustainability are good. Performance could be further improved in this area by reviewing the arrangements in relation to environmental sustainability. Some Supply Chain Partners may not have submitted their policy for review, and this is something CXK may wish to explore. Furthermore, the setting of some supply-chain wide targets for environmental sustainability, and collation and reporting of subsequent data, could add a further dimension to the performance of the supply chain. (7.4)

## 7. AREAS REQUIRING SIGNIFICANT IMPROVEMENT

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

CXK itself is not in scope for full compliance with the Modern Slavery Act, but has an obligation under the Merlin Standard to ensure that it and its supply chains as a minimum adhere to the principles. Little has so far been done to become proactive in this area, although a policy is in the early stage of preparation. In developing this policy, it may be useful to identify the relevance of the Act in relation to the target customer groups; this is likely to promote some specific actions that would be appropriate across the supply chains, perhaps in relation to protecting customers from illegal activities, raising awareness of signs of modern slavery and human trafficking among delivery staff and among customers. This approach may be attractive given the mission statement and ethic of customer focus of CXK, rather than taking an alternative approach merely of reviewing policies. In developing its policy, CXK should also aim to be clear about its expectations of Supply Chain Partners in respect of the Act, which might, at CXK's discretion, go further than a minimum legal compliance requirement. (7.5)

The assessment of the measurable impact the supply chain has on social values or other policy intentions of the commissioner appears fragmented and under-developed. In addressing this area, CXK may wish to initially focus on defining what the wider social objectives of the commissioner(s) are, and this may require some specific research or consolidation of current knowledge. In subsequently assessing the impact of the supply chain, it may be appropriate to collate examples from across the supply chain, and incorporate them into an annual or contract closure report. It was noted during the reaccreditation review that an Impact Report focussing on support delivered through its contracts is already in use, and this could be readily adapted, offering as it does much inspiration in terms of format and presentation style. (8.2)

## 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>Within the National Citizens Service supply chain there was a mix of private sector companies and FE Colleges, as well as one charitable organisation. The National Careers Service supply chain had a different structure, comprising five charitable organisations, a local authority and a private sector organisation. The new National Careers Service supply chain due to become active on 1 October 2018 retains the range of diversity, albeit that it will launch with a smaller number of Supply Chain Partners (six as opposed to 10) and builds on it with the inclusion of two large organisations who have experience as a Prime Contractor. This aspect brings with it a realm of experience, which is already being explored. CXK take into account the contractual requirements, particularly in terms of the referral pipeline arrangements and engagement capability of organisations in different sectors, as well as the geographic footprint of the supply chain in comparison to the contract delivery area when designing the supply chains.</p> <p>The supply chain evolves to meet changing needs, as a result of planned annual reviews which forms part of the SAR process, and on an ad-hoc basis. As a result of the SAR process, increased demand compared to profiled expectations was identified in the National Careers Service delivery in certain deprived areas of Essex, and an additional Supply Chain Partner was procured and deployed to provide additional local resource. In adapting the supply chain to suit the requirements of the commissioner in the new National Careers Service contract, some turnover of Supply Chain Partners was necessary in order to match the revised geographic footprint, and the design is to be reviewed again after the first six months delivery.</p> <p>CXK are particularly proactive in bringing forward consultations and discussions around contract performance expectations early in the procurement process. Volumes, outcomes expected as well as customer targeting are all openly discussed, and information is shared with the supply chain when it becomes available from the commissioner. Supply Chain Partners felt very engaged in this process, and confirmed that at the point of contracting, they were clear about the requirements. Quarterly performance reviews highlight expectations as a matter of routine, and this, together with weekly discussion and challenge of management reports ensures that Supply Chain Partners remain clear about what is expected of them throughout the contract.</p>

Funding and payment arrangements within the supply chain are good, and Supply Chain Partners consider the arrangements fair and transparent. The initial due diligence process gives CXK assurance of potential Supply Chain Partners' financial health, and one of the considerations of selection is that the payment model can be managed without undue risk by the Supply Chain Partners. Payments are based on a flow-down of the funding received by CXK, and they pass on the same payment triggers and evidence requirements that are imposed by the Prime contract. Supply Chain Partners see a copy of the Prime contract in the interests of transparency. There are detailed discussions about the payment model during procurement, to ensure that Supply Chain Partners fully appreciate the payment and cashflow implications, and that they can assess if the contract is financially viable. CXK management are aware that commissioners expect a lot for relatively little funding, and they are alert to the potential financial risks to inexperienced or financially unhealthy Supply Chain Partners.

*"We don't want to set anyone up to fail" -Staff*

## DO

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

There has been a strong focus on developing the capability and efficiency of the supply chain in its ability to fulfil contracts. CXK has invested in the YETI online CRM<sup>2</sup> solution for use in management of the National Careers Service contract, and a further upgrade was in development at the time of the reaccreditation review, planned for use on the new contract in the near future. The views of Supply Chain Partners on the efficiency of systems and processes has played a key part in investment decisions. Workflows have also been systematically designed and developed, and are a topic of constant review, again taking into account the views of users, and in readiness for the new contract, there is now proactive dialogue between CXK and other Prime contractors who will join the supply chain. This dialogue is, among other purposes, focusing on examining potential improvements in processes for quality assurance and compliance and marketing and delivery efficiencies. CXK have also purchased a license for the emsi *Career Coach* Labour Market Information<sup>3</sup> and careers tool, which is held by one of the Supply Chain Partners and accessible to all, albeit there has not been a great uptake of this according to CKX Staff. Once systems and processes have been decided, effective support including training and guidance materials are provided for Supply Chain Partners, to ensure their staff understand the processes and have adequate access to systems. Procedural development was an aspect of support highlighted by one Supply Chain Partner, who felt that smaller charitable organisations often lack specific in-house professionalism, and that CXK's support, beginning with due diligence, provided valuable feedback and guidance in improving and creating effective policies.

*"Great idea to get everyone in the room; direct delivery and supply chain to get the same message and start to work together."* –Supply Chain Partner

There is a particularly positive and open culture in the supply chain. CXK and Supply Chain Partners are very positive about their relationship and have much discussion about the strength of the supply chain and about weaknesses or concerns. Everyone involved feels completely comfortable in raising issues of any kind, and there is no negative view about raising concerns or seeking change. Relationships between all members of the supply chain are positive and supportive, and CXK are seen by Supply Chain Partners as accessible and approachable.

*"They have been open and honest and genuinely interested in working in a partnership."* –Supply Chain Partner

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<sup>2</sup> Customer Relationship Management

<sup>3</sup> Labour Market Information

Performance management is built around quarterly, face to face, structured reviews and weekly tele-kit calls. Reviews are combined with quality assurance activity, and this approach makes good use of time and resources. Weekly tele-kits have the purpose of projecting contractual outcomes for the coming week, and this creates a dialogue in which performance levels are top of the agenda, and encourages mitigation or avoidance of potential issues. Network meetings also have a part to play in performance management, and at these meetings the performance of the supply chain as a whole is discussed, and on occasion particular themes of relevance to Supply Chain Partners generally in relation to performance are discussed, a recent example of which is the negative impact that Universal Credit rollout is having on referrals. Supply Chain Partners value all aspects of performance management. PIPs<sup>4</sup> are used with good effect where performance dips; in one example, discussion of a fall in referral levels into the programme identified that local JCP<sup>5</sup> staff had lost familiarity or a current understanding of the programme, and a plan was agreed to refresh these partners, and to introduce new referral partners.

The overall performance of the National Careers Service contract has been significantly improved. Performance levels are now near 100% for Customer Satisfaction Outcomes (CSO) and Career Management Outcomes (CMO) and of particular note, Job and Learning Outcomes (JLO) have risen from approximately 20% to an average of 45%.

Good use is made of data in performance management, and delivery staff are inputting activity records directly into the YETI system in near real-time, which means that data is up to date, particularly pertinent in weekly performance discussions. A wide range of reports are accessible to Supply Chain Partners.

Quality visits are carried out quarterly, in tandem with performance reviews. These address the quality of service and compliance by conducting an evidence audit, with the findings RAG<sup>6</sup>-rated in a formal report. OTLAs<sup>7</sup> are carried out by Supply Chain Partners using a common process and recording approach, and a feedback report is provided to Staff and shared with CXK. Skills Action Plans are audited every month by Supply Chain Partners (three per Advisor) and moderated by CXK. The quality assurance process is proactive in securing improvements, typically in individual Advisor performance, and in many cases additional support may be offered to staff by CXK, or on occasion support has been by co-working with other Supply Chain Partners.

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<sup>4</sup> Performance Improvement Plans

<sup>5</sup> Jobcentre Plus

<sup>6</sup> Red Amber Green

<sup>7</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.**

The way in which CXK measures the impact of Supply Chain Partners on the wider social objectives or policy intent of commissioners is underdeveloped. Supply Chain Partners and CXK Staff were inconsistent and generally had an incomplete picture of impact. Some suggested that the supply chain had adopted an outreach approach and provided the service in some deprived areas as a priority. There was a lack of clarity among Supply Chain Partners in articulating what the commissioner's wider social impact or policy intent may be, and this suggests further research or definition may be needed. Examples offered by interviewees during the reaccreditation review related to contract performance, and this clearly relates to the intended customer groups rather than to wider social impact or policy intent.

In relation to assessing how the supply chain has a positive impact on the intended customer groups, external stakeholders and the wider community, a number of activities were identified. A survey of customers is conducted by CXK to establish the softer outcomes, for example, confidence, awareness of options and confidence in Curriculum Vitae building, and an Ipsos MORI survey (by the commissioner) provides the opportunity to benchmark areas for improvement against other Primes, for example, returning the Skills Action Plan within a short period of time, how easy it was to book an appointment, which has prompted discussions with the Partners to improve performance. CXK publish an annual Impact Report, which was launched with a local event in March 2018. The 2017-18 Impact Report provides statistics and narrative on the services delivered by CXK, including those which are delivered through a supply chain, featuring headlines for the National Careers Service and National Citizens Service contracts. Whilst the content is highly appropriate in relation to targeted customer groups, there is less recognition of impact on stakeholders: The Impact Report indicates a volume of schools, colleges, employers and other stakeholders that were impacted by the National Careers Service.

## 9. CONCLUSION AND CONDITIONS OF ACCREDITATION

CXK has made an improvement in supply chain management in the course of the two years since their last Assessment. This is recognised in their score increasing from 75% in 2016 to 82% now. There is clearly a true engagement in the spirit of the Merlin Standard, and very good use of this Standard is being made by management as a business improvement tool, both within CXK and within their supply chains. Contracting, performance management and development of the supply chain are now areas of excellence for which management are to be congratulated.

### 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](mailto: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.

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