



merlin standard

GATESHEAD TRADING COMPANY

COMPACT REPORT

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1. KEY INFORMATION

Assessment Type	ACCREDITATION REVIEW
Assessor's Decision	STANDARD MET
Anniversary Date	27/09/2019
Assessment Dates	12/09/2019 – 13/09/2019
Lead Assessor's Name	SUSAN SMITH
Customer ID	C18517
Assessment Reference	PN104520

2. ASSESSMENT OUTCOME

OVERALL OUTCOME	81% GOOD
1. Design	87% Excellent
2. Procure	80% Good
3. Contract	80% Good
4. Fund	80% Good
5. Develop	87% Excellent
6. Performance Manage	83% Good
7. Quality Assurance and Compliance	72% Good
8. Review and Close	80% Good

3. METHODOLOGY

Gateshead Trading Company (referred to as GTC / Organisation throughout the report) is mandated to be accredited against the Merlin Standard. It has just one supply chain as a result of the New Enterprise Allowance (NEA) contract with the Department for Work and Pensions (DWP).

The assessment team comprised of Susan Smith (Lead Assessor) and Lorna Bainbridge (Team Assessor) supported by a coordinator from within GTC. The Lead Assessor started to work with the coordinator in June 2019 to establish the scope and discuss the logistics of the Assessment. The dates for the on-site were identified, and a plan of action agreed.

A booking form was submitted to Assessment Services Limited along with a spreadsheet indicating a full list of Supply Chain Partners - past, present and potential - delivering an end-to-end service or specialist intervention activity.

In advance of the Assessment a survey was carried out of the Supply Chain Partners, with all 11 being invited to participate. Responses were received from 6 Partners, which represented 60% of the total. The results of the survey informed the focus of interviews for the assessment team and contributed to the overall scoring.

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

The assessment team spent a total of 1.5 days each reviewing documentary evidence and undertaking interviews with GTC staff involved in the strategic and day-to-day management of the supply chains. Some 80% of the Supply Chain Partners were interviewed in line with the published Merlin scoping framework. Interviews were conducted with relevant contacts in each chosen Supply Chain Partner (all present, no past or potential).

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

4. ABOUT THE ORGANISATION

GTC – the Organisation, is a company limited by guarantee established in 2009 and owned by Gateshead Council (the Council). The Council is part of a combined authority (7 councils in total) that covers a large part of the North East of England. The Organisation has projects across the North East of England, developing and delivering services to meet the needs of the local people and communities they work with. It works in partnership with public, private and third sector organisations to meet shared goals and make a positive impact on society with the New Enterprise Allowance (NEA) programme being its main activity. GTC is the prime provider for the extended Phase 2 delivery of the DWP NEA scheme in Contract Package Area (CPA) 7 North East England from April 2019 to the end of March 2021. This is building on the success of the Phase 1 and 2 delivery and continues with the strong theme of partnership working and collaboration across the supply chain.

Gateshead Council has developed the following vision statement: “Local people realising their full potential, enjoying the best quality of life in a healthy, safe, prosperous and sustainable Gateshead”. GTC has adopted this statement and expanded it to apply to the whole of their geographic reach.

There are currently 11 Supply Chain Partners delivering on NEA Phase 2 with no potential nor past Partners. The Prime Provider Delivery (GTC) is 7% direct and supply chain delivery is 93%. The supply chain is based on Jobcentre Plus locations and supply chain partners are locally placed to meet the needs of the centres and the customers referred to the programme. There is only one Supply Chain Partner in each of the geographic areas of delivery.

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:

Due to the supply chain design utilising the expertise of not for profit enterprise agencies in the North East, the NEA contract delivery forms part of the overall raison d'être of these Supply Chain Partners. As such, this benefits clients of the programme as this immediately offers clients access to a wide range of support services for start ups and self employed business owners, for example, grants and loans. Other wider networks facilitated by GTC offer further support such as information and advice on intellectual property rights from the library service. (1.2)

There is collaboration and sharing of resources across the supply chain. Again, due to effective supply chain design, there is no competition between Supply Chain Partners and there is a clear vision that the success of the contract is uppermost. There are regular examples of staff being shared across Supply Chain Partners to cover any gaps for sickness or to fill vacancies temporarily. (1.4)

There are many examples of GTC supporting the development of Supply Chain Partners. The investment made by GTC in marketing consultancy, the development of a marketing action plan and the production of new marketing collateral has been hugely helpful to Supply Chain Partners and has supported a 25% increase in JobCentre Plus referrals. Additionally, the NEA contract itself has supported Supply Chain Partners to bid and secure other enterprise support funding. (5.1)

Business relationships are clear and positive. Supply Chain Partners are complimentary about the supportive nature of the GTC staff and the clarity about roles and responsibilities. In addition, the action taken following the Provider Assurance Testing Audit feedback has ensured there is an impartial and objective point for customer complaints and for quality assurance validation. (6.1)

There is an open and honest culture across the whole supply chain. This is facilitated by the way in which GTC operates and is further enhanced by the support and effective communications of the membership organisation for Supply Chain Partners, the North East Enterprise Agency Ltd (NEEAL). Supply Chain Partner testimony in this regard is very positive. (6.2)

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:

There have been significant developments in terms of developing the values on which the GTC NEA supply chain operates. Supply Chain Partners confirmed their involvement in developing the values and these are enshrined in many important documents, such as the Standard Operating Procedures (SOPs). GTC is asked to consider whether these values could now form part of the performance management process and Supply Chain Partners and GTC share feedback on their respective adherence to and performance against the values. (1.5, 6.3)

Whilst most Supply Chain Partners confirm their knowledge of the Self-Assessment Report (SAR) and Quality Improvement Plan (QIP) for GTC and the NEA contract, there were some that suggested there could be greater linkages and connection between their own individual SAR and QIP and that of GTC. It may be beneficial to follow up this feedback with all Supply Chain Partners to further develop this process. (6.7)

Information, advice and guidance provided to clients of the NEA programme is quality assured through file checks, business plan quality review and through some observation of introductory workshops and business advisor sessions. The observations could be made more transparent and objective if the observation and feedback used existing quality standards, for example the SFEDI Business Advice and Mentoring qualifications or the National Occupation Standards for IAG. (7.3)

There is an effective process for updating policy adherence through a regular due diligence led by the quality function in GTC. In order to test policies, there is some reliance on Supply Chain Partners to report any non-conformances or issues. GTC may wish to consider implementing more direct testing of policies, particularly information security and be more proactive in sharing practice in environmental sustainability. Interestingly, the Local Authority has much more focus on environmental issues than at the previous Merlin assessment and one of the Supply Chain Partners has a division that provides environmental sustainability consultancy and advice; this could be more widely shared amongst the supply chain. (7.4)

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>In designing the supply chain for NEA Phase 2 extension, GTC built on the NEA Phase 1 and 2 programmes with an established supply chain of NEEAL members. NEEAL is a unique collaboration of multi award-winning, locally embedded enterprise agencies which operate across the North East. Together with their extensive knowledge and experience of delivering European funded enterprise programmes, the supply chain has provided the GTC with a solid understanding of the holistic needs of clients. As previously assessed, the Phase 2 procurement opportunity was advertised within the public domain on the North East Purchasing Organisation portal as well as communicated across NEEAL members and Voluntary Organisation Network North East (VONNE) who have access to the North East's largest third sector and social enterprise networks. GTC was able to utilise prior knowledge and experience to tailor the process and establish the most appropriate selection criteria required to successfully deliver Phase 2. This approach ensured full geographical coverage as well as transparency and fairness, so organisations pursuing the opportunity were able to demonstrate minimum standards of experience, track record as well as a community enterprise focus catered for local demographics. Due to the short timescale and the successful delivery performance of the GTC supply chain, the Phase 2 extension continued with the supply chain already in place. The NEA Phase 2 extension programme objectives and contractual requirements are delivered through 11 Supply Chain Partners, each allocated to a specific geography and JobCentre Plus office in the CPA, therefore providing suitable access to enterprise support for those local, eligible, aspiring participants. Consultation during the Phase 2 extension ensured a supply chain that is fit for purpose. Some Supply Chain Partner comments included:</p> <p><i>"We are actively engaged in consultation activities to improve the delivery of the service, and they are flexible: I didn't feel that the business plan flowed well so put a proposal forward, which met the ESF requirements and as a result we were able to implement."</i></p> <p><i>"A focus group was put together with the best people from the different Partners to develop the marketing plan."</i></p> <p><i>"The NEEAL meetings are also a great opportunity to come up with new ideas."</i></p> <p><i>"We didn't feel that the Business Development Growth Plan met the needs of current self employed customers, so a Partner designed an alternative which is being put in place."</i></p> <p><i>"Involved in the panel for the bid writing and provided information for the story to make it reality."</i></p> <p><i>"The Partner meetings are an open forum and provide every opportunity to have our say about any topics raised by them (GTC) and other partners to improve performance and streamline practices."</i></p> <p><i>"We were involved in redesigning the Business Development Growth Plan, which has just been agreed and rolled out – I'm sure there will be further changes as we start to use it."</i></p>

The delivery of the NEA across CPA7 is based on the principle of 'end to end delivery', with Supply Chain Partners delivering within a set geographical area which allows the flexibility to adapt delivery to local conditions. The incumbent Supply Chain Partners have effectively transitioned from NEA Phase 1 to NEA Phase 2 and now to the Phase 2 extension. Supply Chain Partners have adapted to the changes successfully, for example in meeting the needs of Universal Credit participants. The successful evolution from Phase 1 to Phase 2 extension can be demonstrated through the high levels of participants commencing trade which is well above the national average. GTC is committed to developing the supply chain through continuous improvement, capacity building and programme delivery. For example, GTC has provided a significant investment both financially and capacity-wise in engaging with JobCentre Plus offices, designing, printing marketing materials including posters, leaflets and video footage to both raise awareness and upskill Work Coaches.

Whilst there have been no cases of TUPE transfer (Transfer of Undertakings Protection of Employment Regulations 2006), there is a process in place which is delivered by Gateshead Council's Human Resources function. The procedure in the event of a TUPE transfer is clearly set out in the contract between GTC and Supply Chain Partners.

At the outset, expectations around performance, service levels and codes of conduct are clearly defined by DWP. They are outlined in the Supply Chain Partner contracts as well as the associated Standard Operating Procedures manual. These were discussed in pre-tender negotiations through formal meetings between GTC and the supply chain. Supply Chain Partners had access to review the Phase 2 extension header contracts between DWP and GTC to demonstrate fairness and transparency in contracting. GTC provides relevant Management Information (MI) allowing for real-time performance data to be accessible and interrogated by all parties. To ensure there is continued understanding and a focus upon performance expectations, reviews take place between GTC's management team and Supply Chain Partners through individual performance meetings, as well as collective supply chain partnership meetings. These platforms provide the opportunity to see the performance data and discuss the requirements and outputs of the contract, the impacts upon the region along with examples of best practice where other Supply Chain Partners are performing well.

GTC seeks to establish an understanding of each Supply Chain Partner and its ability to deliver the numbers and specification of the contract. Payment schedules are clearly set out as part of the contracting arrangements; monthly funding values with performance related funding are plainly detailed. The finance model and payment structure for the programme is issued to all Supply Chain Partners in advance of the contract to support both the Supply Chain Partner and GTC in making well-informed contracting decisions. The payment structure and any deductions have been clearly explained, and the majority of Supply Chain Partners confirmed they have been treated fairly and equitably.

DO

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

Interaction, communication and partnership working between GTC and Supply Chain Partners are well established and there are strong and trusting relationships. The roles and responsibilities are well understood and respected, which results in positive and supportive interactions between all parties. To ensure that its supply chain remains robust, diverse and fit for purpose, GTC has actively sought opportunities to meet with people and organisations of interest who could provide specialist and supplementary support to the partnership. For example, Enterprising Mentoring, who offer expertise in working with people faced with barriers based on disability and ill health, have supported the supply chain. GTC has been able to support the business process development of the supply chain partners such as helping where Supply Chain Partners did not have an adequate business continuity plan. One Supply Chain Partner commented that *"NEA is right for us as it generates and opens other opportunities."*

Communication between GTC and Supply Chain Partners during weekly and monthly interactions and quality assurance checks, is open and honest. Opinions are freely shared, and on occasion, difficult subjects such as issues with performance have been discussed frankly and fairly, with appropriate resolutions reached. The culture of the supply chain is supportive. There is a toolkit for Supply Chain Partner use which encompasses a range of support services, referral agencies, complementary provision and specialist support to interact with throughout the life of the contract. Supply Chain Partner comments included:

"Open and honest dialogue at every stage."

"They are open to challenge and work with us to deliver the contract."

"Positive and supportive, good warm relationship."

"Staff are accessible and approachable and really supportive."

Programme performance expectations are set out within the individual contracts. Clear channels are available for regular performance reviews, including recognising and supporting innovation, raising issues and discussing concerns. GTC uses contract performance data to monitor delivery on a monthly basis to ensure any underperformance is identified, addressed and rectified immediately. Business Support Managers within the supply chain manage delivery staff performance on a weekly basis and report underperformance to the GTC Performance Manager together with any performance improvement actions taken. The GTC Management Team conduct bi-monthly Performance and quarterly Quality Reviews with Business Support Managers within the supply chain to review achievement in accordance to the contract's Standard Operating Procedures. Bi-monthly collaborative Supply Chain Partner meetings held provide a platform and forum for updates on overall performance, quality, DWP communications, sharing of best practice. Comments from Supply Chain Partners included:

"Performance management is two-way and they certainly don't take the hard line, X has been an Advisor so there is an understanding."

"Drill down on performance from referrals all the way through to business start-up and sustainability."

Management Information is consistent and accurate. Supply Chain Partners confirm this and that it is shared across the supply chain through monthly performance League Tables, active client lists and 'highlight' dashboards. The YETI CRM System holds details of each customer supported by a Supply Chain Partner and details of the interactions between them. Reports have been developed to record MI for performance against targets as well as to identify active outstanding clients at each stage, number of referrals and from which JobCentre Plus and advisor. GTC has access to all customer records, whereas Supply Chain Partners have access restricted to their own customers. Supply Chain Partner comments included:

"There is so much detail in the reports – really useful, we start the performance reviews with reconciling the information with our own system, it is pretty accurate."

"The new dashboard is one of those things that you wonder how you did without before."

GTC ensures that effective and proportionate processes are in place to monitor the performance, quality and customer experience, building on its experience of contract delivery and other quality standard accreditations such as the **matrix** Standard. The SOP manual has been developed to ensure consistency of delivery across the entire CPA7 and outlines the procedure to monitor the quality delivery. Quality and compliance across programme delivery and back-office processing and administration are monitored and assured through quarterly file audits. Feedback and complaints are monitored to identify trends both positive and negative in respect of the customer's overall experience through the 'Have Your Say' form provided at the client's Initial Assessment. Another quality assurance mechanism is through validation carried out by DWP. Supply Chain Partners were positive about quality assurance and commented that *"The key measure of the quality of service is the customer feedback – we tend to get 100% customer satisfaction"* and *"It is proportionate, certainly better than it was as we were spending excessive time putting documentation right."*

REVIEW

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

Both GTC and Supply Chain Partners were able to share some examples of how the work they are delivering is having a measurable impact on the DWP's wider social objectives. This includes gaining and sustaining employment, improvements in skills and qualifications, unemployment reduction, addressing poverty and reducing the potential for crime. Government research shows that self employment social impact contributes £11-£14 for every £1 invested in Treasury and health service costs. Additionally, Supply Chain Partners have an impact on the wider social objectives around health and wellbeing through the delivery of a holistic service to customers who are supported in their self employment post the end of the contract activity. In Senior Management Team delivery board meetings, consideration is given as to how the success of the NEA contract contributes to the wider council objectives, in particular the financial plan. The Council's strategy is to focus on maximising growth through various opportunities including trading in order to redirect resource to support those most in need.

Supply Chain Partners have a good understanding of their contribution and commented that:

"Contributes to the Vision 2030; helping people to thrive, meet their potential and live better lives."

"Increased employment in the area, less reliance on benefits."

"Open up a new business which generates income into the local economy."

GTC and Supply Chain Partners confirmed they felt they all provide added value, over and above that demanded by the contract. This takes the form of workshops, training courses and one to one advice and guidance. These tailored activities are themed as either providing support with the business opportunity or with the development of skills. By way of example, one member of the supply chain assists ESOL customers to understand UK business culture and comprehend specific business and legal terminology. Others provide social media training to assist with marketing and sales. Additionally, five members of the supply chain specialise in supporting rural businesses across the rural areas of CPA7 through the Rural Growth Network. The activities of Supply Chain Partners are positively impacting on external stakeholders, such as the way in which customers have been encouraged to develop themselves and their wellbeing. Supply Chain Partners confirmed that their contact with stakeholder groups showed that the programmes were having a positive impact. Examples shared included job creation, wealth and financial stability, improved wellbeing and family cohesion. There is a good range of case studies that demonstrates this and the Organisation commented that *"Clients have gained a new set of skills, which includes a structure to their lives."*

8. CONCLUSION AND CONDITIONS OF ACCREDITATION

In conclusion, GTC has retained accreditation against the Merlin Standard. The Senior Management Team should be mindful that any significant organisational or senior staff changes, and/or being awarded additional contracts using a significantly different supply chain may require a strategic review. Similarly, any decisions reached by the Independent Complaints Examiner may also result in a strategic review being required to ensure the Organisation continues to operate in line with the Merlin principles.

Holders of the Merlin Standard Accreditation must:

- Maintain and continually improve upon their approach to Supply Chain Management.
- Cooperate with annual Reviews as required by Assessment Services Ltd
- Inform Assessment Services Ltd (merlin@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: (merlin@assessmentsservices.com)
- 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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