



merlin standard

KEY TRAINING LIMITED

COMPACT REPORT

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1. KEY INFORMATION

Assessment Type	INITIAL ASSESSMENT
Assessor's Decision	STANDARD MET
Anniversary Date	16/02/2023
Assessment Dates	16/02/2021
Lead Assessor's Name	RUTH REGAN
Customer ID	C29674
Assessment Reference	PN104890

2. ASSESSMENT OUTCOME

OVERALL OUTCOME	73% Good
1. Design	67% Satisfactory
2. Procure	67% Satisfactory
3. Contract	80% Good
4. Fund	80% Good
5. Develop	73% Good
6. Performance Manage	80% Good
7. Quality Assurance and Compliance	76% Good
8. Review and Close	64% Satisfactory

3. METHODOLOGY

Key Training Ltd. (referred to as Key Training or the Organisation throughout the report) sought to be assessed against the Merlin Standard to benchmark itself against a recognised Supply Chain Management Standard and gain objective feedback from a third party regarding their supply chain management practices.

The Merlin assessment team included Ruth Regan (Lead Assessor) and Susan Smith (Team Assessor), supported by a Coordinator from within Key Training. The Lead Assessor started to work with the Coordinator in September 2020 to establish the scope and discuss the assessment's logistics.

A booking form was submitted to Assessment Services Limited, along with a spreadsheet providing details of the four declared Supply Chain Partners.

Due to the small number of Supply Chain Partners, it was agreed that there was no requirement for them to participate in an online survey, as all would be invited to be engaged in the interview evidence gathering.

The Lead Assessor liaised with the Coordinator throughout the planning phase to review the proposed 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, enabling the assessment to take place as planned.

The assessment team spent one day reviewing documentary evidence and undertaking interviews via Microsoft Teams with Key Training staff involved in the strategic and day-to-day management of their supply chain. All the declared Supply Chain Partners were engaged in the evidence gathering with telephone interviews conducted with relevant staff.

The following report provides an overview of the findings against essential criteria within the Merlin Standard, evidenced across the Supply Chain Partners. Areas of significant strength are highlighted, and in order to support Key Training in its desire to become an excellent Prime Contractor, the areas for development are addressed in some detail.

During this assessment, no areas requiring significant improvement were identified.

4. ABOUT THE ORGANISATION

Key Training is a well-established learning and development organisation. It began in 1965 to offer training that improved data processing speed and accuracy and addressed practices and procedures to improve health, wellbeing, and safety in the workplace. In the 1980s, the Organisation was invited by the then Government to set up training centres around the country to re-skill adults and school leavers, who could then work more efficiently in an ever-changing office environment.

Over the years, Key Training has widened its market offering considerably and now provide a range of commercial training options and funded provision, including Apprenticeships, Study Programmes and Traineeships.

The Organisation has a concise vision, mission and set of core values:

OUR VISION. OUR DREAM.

We want to ignite possibilities and future proof skills.

OUR MISSION. OUR PROMISE.

Powering tomorrow by delivering the skills employers need and the development learners want.

OUR CORE VALUES. OUR COMMON GROUND.

The shared values that we are all guided by are:

Determination, Dedication, Drive, Duty — We are 4D.

At the time of this initial assessment, Supply Chain Partners were delivering 22% of Key Training's overall allocated provision across the following programmes:

- Education & Skills Funding Agency (ESFA) Funded Traineeships,
- ESFA Funded Study Programme, and
- North of Tyne Combined Authority Devolved Adult Education Budget.

5. AREAS OF SIGNIFICANT STRENGTH

Several significant strengths were identified during the Assessment, and these are described below. The numbers in brackets refer to the criteria of the Standard:

The development of a positive culture and effective communication channels by Key Training has created a supportive, open and constructive relationship with their Supply Chain Partners. All confirmed that clear communication channels had ensured clarity in the business relationship. From contract award, each Supply Chain Partner has a designated Supply Chain Manager assigned as their main point of contact, supported by other named staff they can contact if required to gain appropriate support. Supply Chain Partners described Key Training staff as responsive to their needs and creating an engaging and effective business relationship. As a Supply Chain Partner explained, *"...we have challenging and difficult conversations - but the difference with Key is amazing – they are professionally challenging when they need to be, but they are responsive and helpful."* (6.1, 6.2)

Quality of delivery is at the heart of the Organisation's supply chain management philosophy as Supply Chain Partners are seen as integral to the overall success of Key Training. Policies, processes and activities are implemented which ensure compliance and quality of service delivery. Confirming the quality of the learner experience is embedded into the monitoring undertaken by Key Training. Supply Chain Partners confirmed that observations of practice had been undertaken virtually during the COVID-19 pandemic and that *"...they look for important quality matters in the learner journey."* (7.2)

It is Key Training's policy that all Supply Chain Partners hold the **matrix** Standard, which provides external validation of the impartial, effective information, advice and guidance provided to learners. Key Training also confirms this through their observations of practice, learner surveys and file audits. Supply Chain Partners acknowledged that the information, advice and guidance they receive from Key Training is useful, timely and informative. One Supply Chain Partner confirmed, *"...very happy with the information, advice and guidance Key provide us with - they provide examples to support the information given which has included advice on COVID-19 and health and wellbeing and ESFA updates."* (7.3)

6. AREAS FOR DEVELOPMENT

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

Key Training's initial need for sub-contracting came about due to learner interest and the development of new localised employment opportunities. This highlighted a gap in the Organisation's service offering resulting in the need to source specific, niche specialist provision as Supply Chain Partners. In future, consideration needs to be given to how Key Training can widen the range of organisations within its supply chain – offering the third sector, as well as private businesses, the opportunity to engage. For example, consideration might be given to creating a 'bank' of potential Supply Chain Partners by promoting Key Training as a Prime Contractor and encouraging organisations to complete an initial Expression of Interest. When the need for changes within the supply chain are identified (see 1.6 below), or there is an opportunity to bid for a new contract, appropriate organisations from the 'bank' can be encouraged to come forward and engage in phase two of the already established due diligence process. Also, see 1.4 below. (1.1, 2.1)

All Supply Chain Partners confirmed that they have support networks, including mental health and housing charities, councils to provide additional support for care leavers, those with special needs etc. However, they could not confirm what strategies Key Training has considered to engage agencies outside of their formal supply chain to provide specialist support to learners and Supply Chain Partners. Key Training confirmed that their Tutors maintain a directory of locally available support services and refer learners as appropriate. Creating something similar together with the involvement of Supply Chain Partners is to be encouraged. Doing so could widen the support available to learners and enhance collaboration. (1.2)

There is very positive evidence of individual Supply Chain Partners working in strong collaboration with Key Training – but not as yet with each other. The Organisation is encouraged to embark on the planned Supply Chain Partner Quarterly Forums, which could help staff members to get to know each other. These initial meetings could be themed, giving all the opportunity to share ideas and start collaboration across the supply chain. Also, see 6.6 below. (1.4)

The current supply chain was only established in late 2020; it is, therefore, too early in its evolution to fully evidence the Organisation's strategies to formally review and improve the supply chain's future development and design. As all Supply Chain Partner contracts are fixed-term (usually 12 months), Key Training is encouraged to consider the supply chain's formal/structured review timeline. Doing so will enable both the appropriate procurement of new and the exiting of current Supply Chain Partners (see 8.5 below) to be managed in a timely, efficient and effective manner. (1.6)

Supply Chain Partners talked about their 'contract allocation' and did not recognise the term 'market share'. However, allocations were agreed in accordance with Key Training's needs, Supply Chain Partners' abilities, and the commissioners' requirements. In future, consideration could be given to how the concept and details of 'market share' are presented to all Supply Chain Partners across all contracts, so they become familiar with both the language and concept. (2.3)

Key Training has provided relevant Supply Chain Partners with information about opportunities for internal and/or external additional funding streams. However, this is currently fragmented and Key Training is asked to consider ways to better share information on future funding/tender opportunities that may interest supply Chain Partners. Best practice would be producing a simple funding bulletin shared with all Supply Chain Partners, and where appropriate and resources allow, the provision of guidance on any funding applications. (5.2)

Practice within individual Supply Chain Partners to improve performance and service delivery are being proactively identified and monitored – with improvement practices and procedures shared by Key Training with Supply Chain Partners as appropriate. The planned Supply Chain Partner Quarterly Forums (see 1.4 above) may be an appropriate vehicle to build trust and confidence among the Supply Chain Partners so that they feel able to share operational practices with each other, thus removing the current reliance on Key Training to facilitate improvements. (6.6)

Key Training and all their Supply Chain Partners have created and utilise a Self-Assessment Report (SAR) and Quality Improvement Plan (QIP). Good practice identified includes Key Training attending a Supply Chain Partner SAR moderation meeting and vice versa. Individual Supply Chain Partner SAR and QIPs are also updated following quality assurance monitoring. However, as yet, not all Supply Chain Partners have had the opportunity to input into the SAR and QIP produced by Key Training. Consideration should be given to how Supply Chain Partners can be proactively involved in contributing to the content of the Key Training Supply Chain SAR/QIP. Consideration could also be given to including appropriate information about the SAR and QIP processes in a Supply Chain Partner handbook or similar. (6.7)

Supply Chain Partners confirmed that all policies and procedures relating to information security, health and safety, safeguarding, environmental sustainability and modern slavery were reviewed and updated during the due diligence process in mid to late 2020. Therefore, it is too early in the supply chain's life for Key Training to reasonably evidence how these are maintained. However, Supply Chain Partners confirmed that they are updated on policy and strategy information as part of their bi-weekly contract performance meetings. Key Training and Supply Chain Partners confirmed that the agreement is that all policies are to be reviewed annually and doing so is to be encouraged. (7.1, 7.4, 7.5)

There is anecdotal evidence of how the work of Supply Chain Partners is impacting the wider social objectives of the commissioner/s. However, the supply chain is in its infancy, and therefore quantifiable outcomes and impact are yet to be measured. Examples were shared by Supply Chain Partners of the positive impact their work has on learners, stakeholders and the wider community - but again, these are anecdotal and piecemeal. Key Training is encouraged to work proactively with their Supply Chain Partners to gather evaluative data to demonstrate their work's positive impact. For example, at a Quarterly Forum, Supply Chain Partners could be asked to share a relevant example/case study and/or share the number of young people they have stopped becoming not in education, employment or training (NEET) etc. The Organisation may also wish to consider the benefits of completing an annual social impact report. (8.2, 8.3)

Supply Chain Partners utilise the Equality and Diversity Impact Measures (EDIMS) reports on the Aptem Management Information System (provided to them by Key Training). For example, one Supply Chain Partner described how they had benchmarked their learners against industry norms and local population data. As a result, they had changed the 'profile' of young people who appear in their literature - better demonstrating their programmes relevancy to a particular ethnic group. Key Training is encouraged to work with their Supply Chain Partners to explore how the range of EDIMS information can be utilised to, for example, ensure programme recruitment meets the requirements of the commissioner and the subsequent delivery is relevant to the diversity of learners on programme. (8.4)

The actions taken to handle the unexpected exit of a Supply Chain Partner resulted in a successful transfer of learners within a very short timescale. However, the 'normal' end-of-contract procedure is currently under-developed. Consequently, there is some lack of clarity about the Supply Chain Partner/Prime Contracture relationship's closure arrangements. Key Training is encouraged to reflect on what it has learnt through the unexpected exit activity and, for example, produce (in discussion with Supply Chain Partners) a timebound checklist of actions that will ensure a smooth, efficient and effective contract end. Also, see 1.6 above. (8.5)

7. FINDINGS

The feedback below is reported against the Merlin Standard's essential criteria, 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>Key Training delivers a range of programmes designed to support learners into better employment through vocational skills development. Their initial need for sub-contracting came about due to learner interest and new localised employment opportunities requiring specialist provision, which Key Training did not deliver. Fully understanding the commissioners' needs, Key Training used LinkedIn, the local Training Provider Network, Red Flag Alert (national database of businesses and their status) and Google to research and engage organisations that could deliver the in-demand specialist provision. The resulting supply chain comprises of three small to medium sized enterprises (SME) specialist/niche training providers and a national provider offering a wide range of learning services.</p> <p>There have been no Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) transfer cases either in or out of the Key Training business during the lifetime of the current Supply Chain Partner contracts.</p> <p>Supply Chain Partners confirmed that performance expectations were discussed and clarified very early in their relationships with the Organisation and that, in some cases, this was an iterative process. The discussions' results are explicit and clear Key Performance Indicators (KPIs) detailed in the contract schedules and the overall performance expectations broken down into monthly profiles. Key Training explained that, "<i>... Supply Chain Partners need to be aware that their performance doesn't sit in isolation – it aligns with ours – and all our high-risk relationships depend on our performance.</i>" Post contracting, two-weekly performance calls between Supply Chain Partners and Key Training review past performance and forecast the period ahead, ensuring that both parties remain clear about expectations and requirements. Supply Chain Partners commented:</p> <p><i>"...all very reasonable."</i></p> <p><i>"...we have had regular calls during COVID-19 to look at performance."</i></p> <p><i>"...performance expectations clear and there was good negotiation about volumes and our capacity." (link to 2.4)</i></p> <p><i>"...all in the contract and reflect our discussion – retention rates, achievement, progression, attendance rates etc."</i></p>

Funding and payment arrangements have been carefully designed and implemented as Key Training fully appreciates the importance of cash flow, especially for small businesses. Therefore, it encourages contract profiles that show what Supply Chain Partners will be paid every month. The financial models mirror that of the commissioner and do not place any additional burden on the Supply Chain Partner. For ESFA funded contracts, payment terms are structured so that the supply chain is paid as if contracting directly with the ESFA, without any additional delays. All Supply Chain Partners were clear about the funding and payment arrangements before their contracts began and considered them to be fair and financially manageable. Supply Chain Partners commented:

"...we never requested any changes to payment terms."

"...the payments process is clear."

"...as a result of the clear payment process, we have been paid consistently on time throughout the contract."

"...we were able to negotiate fees – very constructive discussion – very friendly. Throughout, we have known the risks involved and were happy to accept them."

DO

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

Supply Chain Partners highlighted Key Training's comprehensive due diligence process as being particularly valuable in preparing the way for successful contract delivery. Policies and procedures were reviewed and developmental feedback provided before exchanging contracts. One Supply Chain Partner commented, "*...there was help to develop our policies after very good due diligence checks.*" Post contract exchange support has continued with examples of help being provided with marketing and the monitoring pack developed by Key Training being utilised by a Supply Chain Partner to support their in-house provision. When it was established that one Supply Chain Partner was working with Key Training and another Prime Contractor, Key Training contacted the other Prime to explore how they might work together to support the Supply Chain Partner. Consequently, where possible, they now ensure the support and guidance provided is coordinated and consistent, enabling the Supply Chain Partner to fulfil both sets of contractual obligations. Access to Aptem was acknowledged as becoming an important business and financial management tool. Also, access to shared Microsoft Teams folders provides resources, presentations and meeting notes. Supply Chain Partners commented:

"...we have learned from how they operate – they are very professional."

"...the MI system is an invaluable support in developing most aspect of our business."

"...we were discussing our QIP, and Key sent over their own Personal. Development Plans and documents to help us."

"...Aptem enables us to manage our business as it provides all the business results reports we need."

As highlighted in Section 5: Areas of Significant Strength, all Supply Chain Partners confirmed a positive and supportive culture in their working relationships with Key Training, and that throughout the time of their working relationship, communications have been open and honest and without unreasonable constraint. One Supply Chain Partner described the staff at Key Training as "*...quite relaxed, informal, supportive and helpful – it's all about working together*" and having "*.. a culture of engagement and working together and not them and us.*" Other comments by Supply Chain Partners concerning communications include:

"...we will be able to have difficult conversations re these performance expectations but will be a conversation, not a dictate."

"...clear communications delivered with flexibility and empathy, which has been invaluable in COVID-19."

"...there are really positive communications."

"...communication is really strong."

There is transparency and good management of performance across the supply chain, with contract performance reviews taking place every two weeks with each Supply Chain Partner who perceive them as being well structured and effective. *"...every fortnight we look at our KPIs and outcomes, progress is reviewed, our numbers, learners potentially at risk, as well as policies, procedures – we've changed our safeguarding to reflect the reporting process that Key Training use."* Since the COVID-19 pandemic, the formal contract reviews have been supplemented with at least twice weekly calls providing support on performance challenges due to virtual delivery and staff and learners' welfare. Supply Chain Partners commented:

"...performance calls are good as they look at the forecast going forward."

"...there is a really strong performance review culture."

"...they have been very supportive and recognise when we've done something well."

The management information (MI) data used to drive performance reviews is acknowledged as reliable, accurate, and consistent with the management information reports available via Aptem being used extensively by Key Training and Supply Chain Partners. *"...Aptem reports feed a lot of the bi-weekly meeting discussions, but we also use it to manage the business; the MI is very valuable and is used daily to see learner progress etc."*

As highlighted in Section 5: Areas of Significant Strength, the quality of delivery is at the heart of the Key Training supply chain management philosophy, with quality assurance activity proportionate, effective and robust. Processes include observations, file audits and compliance checks, while qualitative measures include, for example, the learner feedback surveys at the start, middle and end of their programme. Currently, planned monitoring and observation visits are undertaken virtually, which collect both quantitative (review of logs and evidence) and qualitative data (session observations, learner and staff surveys). Whilst a robust approach, this is valued by Supply Chain Partners as findings are used to inform improvements to the service delivery and ensure they are compliant throughout the life of the contract. Supply Chain Partners commented:

"...as a result of QA activity, we have changed how we do things."

"...they look for important quality matters in the learner journey."

REVIEW

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

Perhaps not surprising due to the short time the supply chain has been in place, limited evidence was available to confirm how Key Training assesses the measurable impact of Supply Chain Partners' activities. However, anecdotal evidence was shared, which demonstrated that both Key Training and its Supply Chain Partners independently recognise their activities' impact. For example, equipping residents within their geographical delivery areas with skills allows them to access better employment opportunities and career pathways. In turn, this leads to higher earning potential, improved quality of life and enhanced contribution to the local economy. Also, the work undertaken with young people supports reducing those who are NEET and can lead them into apprenticeships and jobs. Adults with low-level qualifications have the opportunity to re-enter education, achieve a higher level qualification, which can, in return, support them into employment or progress their careers. However, as yet, the measurable impacts have yet to be formally assessed. Supply Chain Partners commented:

"...we have helped people into work as a result of gaining qualifications through this contract."

"...we achieved 100% of our contract targets."

"...we work hard to reduce NEET – we work with other providers, so we have an informal network we utilise to support the young people and keep them from slipping through the system."

"...we have our own case studies which demonstrate the positive impact we provide to disadvantaged young people."

Anecdotal, piecemeal evidence was shared of the supply chain's positive impact on intended customer groups, stakeholders, and the wider community. For example, staff and learners are being supported through mental health campaigns aligned to exercise, and offices are being opened to enable vulnerable learning to have one-to-one time with tutors. Key Training has provided its own and Supply Chain Partner staff with access to the online learning portal, 'Our Staff Skills Academy', which features over 600 online courses and is made freely available. The Academy has self-development courses across a wide range of categories from health and wellbeing, fitness, hobbies and lifestyle to lesson planning, accountancy and succession planning. Before the pandemic and subsequent lockdown, Key Training staff were actively engaged in volunteering in soup kitchens and homeless charities, running a toy collection for Save the Children and working with If U Care Share Foundation. Supply Chain Partners commented:

"...there is an impact on the community through increasing social mobility through progression in work."

"...we have done lots on mental health, which is now prevalent, especially with young people – they are constantly under pressure and scrutinised."

"...access to the learning portal has been invaluable during lockdown – it has given staff the opportunity to learn new skills, and I think it's supported their mental health too."

8. CONCLUSION AND CONDITIONS OF ACCREDITATION

In conclusion, this assessment enabled Key Training Ltd. to showcase its approach to supply chain management. Although the supply chain is still in its infancy, the activities developed and embedded to date, underpinned by open, honest and engaging communications and culture, are proving to be effective.

Key Training Ltd. has gained accreditation against the Merlin Standard.

The senior leadership team should be mindful that any significant organisational or 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 according to 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 four 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 two 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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