



merlin standard

CXK LIMITED

COMPACT REPORT

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1. KEY INFORMATION

Assessment Type	ACCREDITATION REVIEW
Assessor's Decision	STANDARD MET
Anniversary Date	14/09/2022
Assessment Dates	07/09/2020 – 08/09/2020
Lead Assessor's Name	PAUL HESP
Customer ID	C14943
Assessment Reference	PN104878

2. ASSESSMENT OUTCOME

OVERALL OUTCOME	86% EXCELLENT
1. Design	90% Excellent
2. Procure	80% Good
3. Contract	90% Excellent
4. Fund	93% Excellent
5. Develop	80% Good
6. Performance Manage	91% Excellent
7. Quality Assurance and Compliance	88% Excellent
8. Review and Close	76% 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 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 19 were invited to participate. 17 Supply Chain Partners responded. (90%), and the results of this were taken into account in the Pre-Assessment Notes and in establishing a focus for interviews.

Ten Supply Chain Partners were interviewed during the reaccreditation review, representing a sample size of 53%. This included five from each of the contracts being delivered, one of which was a past Supply Chain Partner. No potential Supply Chain Partners were declared.

The reaccreditation review was undertaken remotely by two Assessors (Paul Hesp and Lorna Bainbridge), using online video meetings throughout except for one Supply Chain Partner interview by telephone. 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 CXK Coordinator and Chief Executive. 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 CXK's senior management.

Interview sessions were held with staff, and with one past and nine present Supply Chain Partners as follows:

- Ten interview sessions with staff (some individually, some groups)
- One interview session with a past Supply Chain Partner
- Nine interview sessions with present Supply Chain Partners
- Two interview sessions with staff who had been transferred under TUPE¹.

¹ Transfer of Undertakings (Protection of Employment) Regulations

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 of England, aimed at supporting young people, adults, children and families. CXK's mission remains *"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" continues 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 two supply chains. One delivers the National Careers Service, a contract commissioned by ESFA² that began in 2018 (and which CXK also previously delivered from 2015 under the previous contract) and covers the South region, defined as Kent, East Sussex, West Sussex, Surrey, Hampshire and West Berkshire. Within this contract, CXK delivers the service directly across most of Kent and East Sussex and sub-contracted 60% to eight Supply Chain Partners, one of which has subsequently left the supply chain. The second supply chain delivers an ASK³ contract, also funded by ESFA, but covering a larger region from Norfolk to Cornwall. The contract began in 2019 and CXK sub-contracts 48% of the funding to 12 Supply Chain Partners. One of those Supply Chain Partners is also included in the National Careers Service supply chain. CXK directly delivers in Hertfordshire and Norfolk.

Since the last assessment CXK have discontinued delivery of the National Citizens Service.

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

² Education and Skills Funding Agency

³ Apprenticeship Support and Knowledge for Schools and Colleges

5. AREAS OF SIGNIFICANT STRENGTH

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

The supply chains include a highly diverse range of organisations. They range in size from very small to large organisations, include private and public sector and not-for-profit and charitable organisations. The supply chains benefit collectively from this diversity by having a wide range of views and experience available. CXK take opportunities when contracts are refreshed and annually to review the composition of their supply chains, particularly in terms of geographic reach and ensuring all eligible customers can access services and giving consideration to the track record of its Supply Chain Partners. (1.1, 1.6)

Consultation with Supply Chain Partners in advance of contracting is strong. CXK share information about contracts they are bidding for or are negotiating extensions for willingly and openly. In the absence of clear information from commissioners in advance of securing contracts CXK are equally proactive in sharing their expectations and insights, and gathering the expectations, previous experience and insights of potential and present Supply Chain Partners. This has the effect of generating much engagement among the supply chains in advance of new contracts and changes to existing contracts. This consultation continues throughout the life of the contract and as a result, Supply Chain Partners influence changes and improvements to systems and processes. (1.3)

Collaboration across supply chains is excellent, with many examples of Supply Chain Partners developing and sustaining effective relationships in which they share resources and methods of working, including working closely to identify the best providers for participants where geographies are close. Geographic design of the supply chains has created some overlaps in areas where greater capacity was required after contract launch. Supply Chain Partners feel comfortable working together and willingly and proactively support their peers. (1.4)

CXK have applied highly effective approaches to developing and agreeing performance expectations. All Supply Chain Partners were clear about what was expected from them very early in the relationship, and they described an iterative and consultative process in which CXK shared their initial ideas and evolved and modified with the input of Supply Chain Partners. The openness used in defining performance expectations has ensured commitment from the supply chains throughout their contracts because Supply Chain Partners felt they were included in defining expectations rather than simply having them imposed. (3.2)

Funding models and the arrangements for transferring payments have been designed with consideration and are thought to be fair and reliable by Supply Chain Partners. Funding models closely mirror the arrangements between the commissioner and CXK, and in the ASK contract included an initial funding advance. This was particularly important for some of the smaller Supply Chain Partners and made a significant difference to their ability to deploy their staff rapidly. The methods used to trigger and process claims are straightforward and transparent and payments to Supply Chain Partners are made well ahead of the contractual obligation. (4.1, 4.2)

CXK are invested in supporting and developing their Supply Chain Partners to achieve their contractual obligations. This begins before contracts are agreed by encouraging and supporting those with any gaps in compliance as part of the due diligence activities, for example in securing agreement with the commissioner for some to work towards *Cyber Essentials Plus* certification, during which time CXK provided specific hardware and enhanced data security arrangements. Others have benefited from accessing the marketing expertise and resources of CXK. The systems in use are shared across the supply chains, and are reliable and well maintained and supported, meaning transactions and reporting are straightforward for all. (5.1)

The positive culture and effective communication channels that have been maintained across the supply chains continue to support open and constructive dialogue around performance improvement. Regular structured performance reviews and network meetings are valued by Supply Chain Partners and are designed to introduce challenge and support. The approach recognises good performance, and the supply chains appreciate this. Supply Chain Partners do not hesitate in raising concerns over their own performance levels if on occasion they dip, and by doing so have been supported and encouraged to improve. CXK's Contract Managers proactively seek out and identify cases of good practice, recognising them not only at individual Supply Chain Partner level but also sharing them across the supply chains. This proactive approach serves not only to incentivise good practice but to offer alternative approaches to those seeking to improve. (6.1, 6.2, 6.3, 6.6)

Communications remain effective, and this extends to how CXK keep their supply chains updated with regulatory and legislative changes. Newsletters and email alerts are used well and followed up by one-to-one reinforcement with Supply Chain Partners during performance reviews to ensure that any required actions are followed through. Supply Chain Partners and CXK staff have confidence that the latest policy position, contractual requirements or legislative changes are clear throughout the supply chains. (7.1)

Quality assurance activity is proportionate and effective. CXK takes account of the capability and processes of Supply Chain Partners and varies the intensity of activity to reflect the assessed risk. For example, observations of delivery are carried out by CXK within the ASK supply chain, whereas for the National Careers Service supply chain each Supply Chain Partner facilitates their own, and CXK oversees the results, having higher levels of experience and greater assurance through Ofsted Inspections and **matrix** Accreditations. (7.2)

Methods for providing IAG⁴ throughout the supply chain are excellent. Appropriate use is made of observations to assure the quality of IAG, and CXK facilitates many opportunities for sharing of good practice among the supply chains. Information and guidance provided to Supply Chain Partners is clear and timely and avoids reliance upon any single channel. Good practice is demonstrated in following up email or Newsletter content with individual discussions, and this ensures clarity, particularly in relatively complex cases such as a recent matter over the treatment of VAT⁵ for the ASK supply chain. (7.3)

⁴ Information, advice and guidance

⁵ Value Added Tax

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 way in which core principles and behaviours for the supply chain are defined remains an Area for Development. CXK's core principles and behaviours overlap or are similar to those of individual Supply Chain Partners and are communicated during induction. However, levels of awareness and engagement of Supply Chain Partners remain inconsistent. CXK may wish to consider additional steps they could take, perhaps incorporating or referencing within contract documentation so that a clear agreement can be evidenced. (1.5)

Although assessed as good, some aspects of procurement could be readily developed to reach a standard of excellence. Management could further improve their transparency in future procurement by detailing how submissions would be scored, and enhancing the feedback provided to successful and unsuccessful applicants at EOI⁶ and ITT⁷ stages by advising them of the scores achieved. Additionally, the use of an online EOI and ITT process may simplify the preparation of feedback and could make the processing of EOIs and ITTs more efficient. (2.1, 2.2)

CXK's practice in relation to the strategy for finance and transfer of funds within the network is excellent. To further enhance their approach, CXK may wish to reflect on an opportunity to further strengthen financial management by routinely calculating average payment days for supply chains and/or Supply Chain Partners. This data may prove useful not only internally but could be shared with the supply chains; such information may result in greater recognition of the timeliness of payments. (4.2)

Although CXKs practice in relation to management fees is good, recognition of the support that is provided in consideration of the fees remains inconsistent among Supply Chain Partners. Whilst the fees structure is explained and is publicly available in the Supply Chain Management: Fees and Payments Procedure, it may be beneficial to introduce more face to face discussion of the fees applicable and the support provided for individual Supply Chain Partners. This could raise recognition and value of the support CXK provides across the whole network, rather than only the majority as is the case currently. (4.3)

Staff within the supply chains could be more proactively developed if CXK were to extend their consultation with Supply Chain Partners as to their workforce training needs, collating the common interests. This could lead increased workforce development opportunities, including outsourcing of CPD⁸ provision at cost-effective rates or even at no cost, and to wider recognition of existing CPD delivery capability within the supply chains that could be shared. Such arrangements would enhance the present approach whereby CXK proactively

⁶ Expression of Interest

⁷ Invitation to Tender

⁸ Continuing Professional Development

encourage Supply Chain Partners to share information and experiences of opportunities they discover with peers. (5.3)

Awareness of principles and good practice in relation to the Modern Slavery Act (MSA) has improved since the last assessment. There are some further steps CXK could take to develop their strategy and processes. These could include producing a Modern Slavery Statement voluntarily and capturing case studies of MSA-related incidents and sharing across the network when they happen, as is already practice with safeguarding incidents. In addition, it may be appropriate in recognition that Modern Slavery is now managed by CXK as part of their safeguarding approach, to review the Safeguarding Policy to reflect this. (7.5)

Although assessed as good overall, one aspect of using feedback from external assessment activities could be further developed: The value of reviewing Supply Chain Partners' **matrix** Accreditation Reports appears to have been overlooked. Requesting **matrix** Accreditation Reports from those who hold this Standard could provide additional insights not only into individual Supply Chain Partner practice or development areas but may also identify good practice and improvement themes for the network. (8.1)

In relation to assessing the impact of supply chain activities on the wider social objectives or policy intent of commissioners, a step forward in producing and publishing an annual Impact Report (2017/18) was made since the last assessment but not sustained. Such a reporting format could be revived, and used to report impact on intended customer groups, communities and stakeholders, and to report on impact from an inclusivity perspective. This could build upon the annual reporting which is carried out for the purposes of the commissioner's annual reports. It may be helpful for CXK to extend its interpretation of "commissioners/ procurer" beyond the immediate contracting authority and to consider DWP⁹ policy and objectives and potentially other departments within this definition. Some of this information is currently fragmented across a range of different data sets or incorporated as relatively small elements within lengthy reports, which not all Supply Chain Partners engage with. Assembling a holistic but concise Impact Report using data, infographics and rich narrative as has already been demonstrated can be an effective way of engaging the supply chains as well as other stakeholders. (8.2)

⁹ Department for Work and Pensions

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>Two supply chains, each at a different stage of evolution, were in place during the assessment. The long-established National Careers Service supply chain is made up of private limited companies, not-for-profit companies and charitable organisations as well as a local authority and a Further Education College, both of which joined in 2019. A similar diverse spread is represented in the ASK supply chain, which notably includes six training provider networks. Supply Chain Partners range considerably in size, as do the contract values awarded. CXK make good use of the experiences of potential and existing Supply Chain Partners when designing their supply chains and when reviewing their effectiveness, and changes have been introduced in the National Careers Service. The ASK supply chain continues to operate as per its original design after the first annual review.</p> <p>CXK takes a supportive approach to TUPE and has handled transfers well. On taking over the ASK contract from a previous incumbent, transfers of staff into Supply Chain Partners was envisaged, and discussions held with the organisations affected. CXK had been prepared to take on staff themselves if cases arose where small Supply Chain Partners would have been overly burdened by the statutory obligations, recognising that it could deploy staff itself because of geographic growth. Ultimately three staff were transferred to CXKs own workforce, and that process was reported by staff and managers as having been smooth and resulting in all employment rights being upheld.</p> <p>Supply Chain Partners say that performance expectations were discussed and clarified very early in their relationships, and that in some cases it was a highly iterative process because the expectations of the commissioner were not always known. CXK were proactive in beginning discussions as soon as bids were being developed, prior to contract award. New contracts for ASK were in the process of being drafted at the time of assessment, but discussions have already taken place to clarify revisions of KPIs¹⁰. All Supply Chain Partners have been and remain clear about what is expected of them.</p>

¹⁰ Key Performance Indicators

Funding and payment arrangements have been carefully designed and implemented, and CXK has had due regard for potential cashflow implications of the payment on results based retrospective payments system for the National Careers Service supply chain. Although the Prime Contract gives no scope for variation of the funding model, CXK were able to mitigate the impact of Covid-19 by immediately responding and passing on profile-based guarantee payments throughout the supply chain, and this helped the supply chain to survive the significant downturn in delivery volumes experienced because of lockdown restrictions. All Supply Chain Partners in both supply chains were clear about the funding and payment arrangements before their contracts began and considered them to be fair and financially manageable. In the ASK contract, financial risk is lower, but CXK proactively passed on an initial up-front payment to their supply chain. For some Supply Chain Partners this was recognised as a better arrangement than they had experienced with another Prime contractor. In some cases, CXK amortised the costs of providing specific hardware to certain Supply Chain Partners over future quarterly payments in order that they could begin delivery in advance of gaining *Cyber Essentials Plus* certification. This innovative approach was to mutual benefit and enabled the participation of small organisations that would otherwise have been excluded from the supply chain.

DO

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

CXK's comprehensive induction processes, also referred to as mobilisation meetings, were highlighted by Supply Chain Partners as being particularly valuable in preparing the way for successful delivery. CXK has a supportive approach and provides robust systems and processes for use across the supply chains. Supply Chain Partners say the training and support they receive in terms of familiarisation with processes and systems is excellent, and this was the common experience regardless of whether induction was of a group of Supply Chain Partners, or in the case of later entrants on a one to one basis. Smaller Supply Chain Partners have on occasion been supported by CXK's marketing team, including one that needed to find an alternative to compensate for unavoidable restrictions in their use of social media. Inductions are repeated annually to ensure that any operational implications of fresh contractual changes are recognised and addressed.

All Supply Chain Partners confirmed there is a positive and supportive culture in the supply chain, and that they feel communications are open and honest. Examples were found where Supply Chain Partners had raised issues that were adversely affecting performance voluntarily, and one commented that with other Prime contractors they might have not disclosed the matter. There is transparency and good management of performance across each supply chain. CXK has invested in new regionally based posts for the ASK contract, and the creation of three new posts for Contract Managers means that Supply Chain Partners are geographically close to their contact points. This arrangement was implemented in recognition of the "extended" region which spans from Norfolk to Cornwall. Performance Reviews on both contracts are structured and effective, and communications were notably increased in frequency in response to the coronavirus pandemic, providing additional opportunities for discussion and resolution of challenges during that time. CXK's managers look for and frequently recognise good performance, often highlighting this across their supply chains in network meetings or at events. The quality of data that is used to drive performance reviews is reliable, and reports are accessed both by CXK and by Supply Chain Partners. No examples of any discrepancies in reported performance were found.

The quality of delivery and the customer experience is assured through effective processes. The level of quality and compliance checks and support is variable and reflected along with other considerations in the scale of management fees applied to each Supply Chain Partner. Evidence submitted with claims is audited by CXK staff, and feedback on any errors or omissions is provided promptly. Observations of practice play an important part in quality assurance, both through CXK's own staff in the case of ASK, and through the Supply Chain Partners' staff using CXK's process and documentation in the case of National Careers Service.

Both processes provide valuable feedback to delivery staff, and are formally recorded and reviewed by CXK, feeding into the annual improvement plans. Feedback from National Careers Service customers is also reviewed by CXK and shared with Supply Chain Partners. In the ASK contract, Supply Chain Partners gather feedback from teachers as part of their annual review and share with CXK. For example, one had suggested that more resources should be available; this was acted on by CXK and improved materials subsequently provided to the supply chain for distribution.

REVIEW

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

CXK has developed an Impact Toolkit since the last assessment, which provides a framework to measure and report the impact of supply chain activities. The framework considers outcomes such as increased confidence and improved life choices, wellbeing, social inclusion and economic inclusion, and references the Annual Impact Report, designed to demonstrate CXK's impact. The Report produced for the year 2017/18 used a blend of data, narrative and infographics to communicate in a concise manner the impact of the organisation (including the work it does through supply chains). The Report was focussed primarily on the impact (in the context of this assessment) of the National Careers Service and National Citizens Service upon its participants, but also included some references to wider policy matters such as employer, school and college engagement in addition to the intended customer groups. Some Supply Chain Partners recalled that Report, which had been "launched" with a major supply chain event and publicised through the company's website and social media channels. The supply chain event however had not been well attended, and this was a source of disappointment for CXK management having taken considerable time and effort to organise. The Report has not been produced since.

CXK produce an annual Evaluation Report for their ASK contract, which includes reporting on outputs and impact. There is much reliance on the volumes and popularity of the various activities delivered during the year, and there are also references to the commissioner's wider policy objectives in relation to Apprenticeships participation. This is a lengthy report, which is due to be distributed to the Supply Chain Partners having just been approved by the commissioner.

8. CONCLUSION AND CONDITIONS OF ACCREDITATION

CXK have demonstrated improvements since the last assessment and have achieved recognition for this by being assessed as Excellent in half of the Merlin Standard Principles. The Organisation may consider itself relatively small, but the team has become increasingly confident and effective in managing supply chains.

The senior leadership 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 Merlin Mediation Service / 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@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: (merlin@assessmentservices.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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