



merlin

promoting supply chain excellence

Assessment Report
For

SKILLS TRAINING UK

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On behalf of emqc Ltd

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Contents

About the Organisation	3
Assessment Methodology	3
Assessment Outcome	4
Strengths	4
Areas for Improvement	5
Areas Requiring Further Development	6
Assessment Findings	7
1 Supply Chain Design	7
2 Commitment	9
3 Conduct	13
4 Review	20

About the Organisation

Skills Training UK (STUK) is a Private company, established in 1992, and has grown to become one of the leading skills, apprenticeships and employability providers in the country.

Since 2006 STUK have been a Prime Contractor for the Department for Work and Pensions (DWP). Contracts have included New Deal in London (West London and Lambeth, Southwark and Wandsworth) and Flexible New Deal in Surrey, Sussex and Kent. The organisation is also an experienced apprenticeship provider, delivering across London and the South East and delivering Additional Learning Support and Foundation Learning across the region.

In 2010 STUK won a place on the Government's Employment Related Support Services (ERSS) Framework for the South East Region (one of only 15 organisations) and London Region (one of only 16 organisations).

In 2011 STUK was awarded a Prime Contract for the South East (CPA8) by DWP to deliver the European Social Fund 2011-13 Support for Troubled Families, which they have branded Progress! More recently, in 2012 the organisation was awarded two Youth Contracts in South East A and South East B, covering the whole of the South East of England.

Assessment Methodology

It was a requirement by DWP that all providers (Primes) of the European Social Fund 2011-13 Support for Troubled Families undertake an assessment against the Merlin Standard before 31st December 2012, which included STUK. Due to the organisation being awarded the YC by the Education Funding Agency (EFA) there was a requirement to include a representative sample of that supply chain in the scoping of the assessment.

The assessment team comprised of Lorna Bainbridge (Lead Assessor) and two Assessors: Neil Potentier and Kathy Leahy, supported by a co-ordinator within STUK.

The Lead Assessor met the key stakeholders of the European Social Fund 2011-13 Support for Troubled Families in May 2012, to gain an understanding of STUK's business and discuss the logistics of the Merlin assessment. Subsequent planning meetings and telephone calls provided the opportunity to review the plans and logistics of the on-site activity, which incorporated the YC at a later stage.

Interviewees were selected from the list of Supply Chain Partners (SCPs) for the European Social Fund 2011-13 Support for Troubled Families and YC. Personnel were also selected from STUK as the organisation delivers 26% of the contract.

The assessment team spent a total of 12 days on-site reviewing documentary evidence, IT systems and undertaking interviews with STUK personnel and a total of 21 Partners; which

represented 80% of the European Social Fund 2011-13 Support for Troubled Families and 46% of the YC.

Assessment Outcome

Overall %	86%
Overall Outcome	Excellent
Supply Chain Design	Excellent
Commitment	Excellent
Conduct	Excellent
Review	Good

Strengths

- ▲ Extensive research and consultation has resulted in a robust supply chain with scope and variety, comprising of private, public and third sector organisations to address the holistic needs of customer groups and local demographics. (1a.1, 1a.2)
- ▲ Proactive and effective communications are open, honest and clear; irrespective of whether it is with senior management or operational staff, the approach is consistent. Partners believe that all interactions with STUK are very positive and supportive. (2a.1, 2a.4, 2a.5, 3a.3)
- ▲ The organisation recognises the importance of consultation with their Partners, to contribute to designing systems and processes, and informing decisions, they listen to Partner's feedback, making changes and improvements. (2a.2)
- ▲ There is extensive collaborative working within the supply chain, which is specifically strong at local level. (2a.3)
- ▲ Partners - including small, specialist and third sector - are supported and encouraged to develop and sustain their business, and remain financially viable. (2b.1)
- ▲ A key strength of the organisation is having an open and honest culture. As a result, Partners have the trust and confidence in the organisation and believe they (STUK) have their best interests at heart. In all aspects of contracting and funding the Partners were positive regarding their dealings and felt fully supported. (2c.1, 2c.2, 2c.3, 2c.4, 2c.6, 2c.7, 2c.8, 3c.4, 3d.3)
- ▲ The core values are fully embedded within the organisation and the supply chain. There is a strong desire, and a high level of passion and commitment to make the contracts successful, in particular Progress! (3a.1)

- ▲ Pre-contract agreements are reflected in the actions of the organisation. Partners believe the organisation has done more than expected, having been open and honest, and providing extensive support throughout the early stages of the contracts. (3c.1)
- ▲ The organisation demonstrates a high level of commitment to equality and diversity, and ensures Partner's policies are aligned to their own. They also provide the resources to capture and monitor the data at local level. (3e.1)
- ▲ A high percentage of the Partners have a good understanding of the impact on the wider objectives/policy intent, centred round improving family/young person's lives and achievement of Progress Measures, which ultimately impacts directly on local communities. (4a.3, 4a.6)

Areas for Improvement

- ▲ Consideration should be made to developing, sharing and maintaining a resource directory listing spot purchase providers. (1a.3)
- ▲ Identify additional opportunities to increase the consultation activities across the entire supply chain, CPA. Similarly, continue to encourage collaboration, focusing on the entire network. (2a.2, 3d.1)
- ▲ Consideration should be made to undertaking a full training needs analysis with the Partners, including those individuals delivering the contracts. In addition, ensure learning and development activities are effective and meet the needs of individuals, and that there is a return on investment. (2b.3)
- ▲ Ensure the Operations Manager or Continuous Improvement Officers (CIOs) consistently check Partner's understanding of the changes to legislation and regulatory requirements, and appropriate implementation has been made. (3a.4)
- ▲ In the future as volumes increase the Continuous Improvement Framework will have to be formally adopted across the supply chain, and in turn Partners' expectations managed effectively. (3b.1, 3b.2)
- ▲ In the future, consideration should be made to a more overt approach to observing/checking data and asset security, health and safety and safeguarding. (3b.4, 3b.5, 3b.6)
- ▲ Develop an overarching approach to monitoring environmental sustainability across the entire supply chain, monitor and share outcomes. (3b.7, 4a.6)

- ▲ Ensure Partners understand what constitutes 'excellent' practice, and consider providing more opportunities to engage the entire supply chain in identifying and sharing excellent practice across the network. (3b.8, 3d.6)
- ▲ Periodically remind Partners of the Merlin Mediation Service. (3c.3)
- ▲ Consideration should be made to managing Partners' expectations and perceptions when formal performance management activities are introduced. (3d.2)
- ▲ Encourage Partners and CIOs to monitor and analyse the equality and diversity data, and use the data to identify, engage and support specific groups, locally and regionally. (3e.3)
- ▲ Ensure planned activities for the development and communication of the annual self-assessment report follow through, and the Quality Improvement Plan is shared with the Partners and they understand the requirements/expectations in meeting the requirements. (4a.2)
- ▲ Ensure Partners continue to receive regular updates in relation to the wider objectives/policy intent, and that the impact of the entire supply chain is communicated effectively, including environmental sustainability achievements. (4a.3, 4a.4, 4a.6)

Areas Requiring Further Development

None identified throughout this assessment.

Assessment Findings

1 Supply Chain Design

1a) Supply chain design

STUK had been working with previous programmes commissioned by DWP, and whilst the European Social Fund 2011-13 Support for Troubled Families is very different, the commissioner's objectives and wider policy intent were clearly understood and aligned with the organisation's overall strategy. Similarly, the organisation had a clear understanding of, and strategy to engage with the YC.

STUK recognises the importance of working with a range of Partners from the public, private and third sector. They believe in using the knowledge of those at local level to contribute to the success of delivering a contract, as they are potentially better positioned to meet the needs of the families/young people. However, a key strategy of the organisation is to deliver a percentage of the contract awarded directly, which ensures they have a clear understanding of the contract, the delivery and challenges being faced.

STUK understood the necessity to work closely with Local Authorities (LAs) for The European Social Fund 2011-13 Support for Troubled Families and throughout the tendering process met with a high proportion of the LAs, in groups and individually, to gain an awareness of their requirements and identify potential Partners at local level.

There was clear evidence throughout the assessment that extensive research was undertaken to contribute to the design of the supply chain, which included; analysis of regional and local data and statistics, identifying regional and local challenges, identifying the different customer groups and trends, etc.

Senior managers were actively involved in meetings with external stakeholders at national, regional and local levels, including but not limited to DWP, Department for Business Innovation and Skills, Further Education Skills Advisory Group, National Institute of Adult Continuing Education (NIACE), The Association of Employment and Learning Providers (AELP), etc.

Whilst there was a short timescale for the start of the YC the organisation undertook research with national, regional and local stakeholders, and drew on their own and other's experiences of working with NEET (Not in Education, Employment or Training) groups in the past.

When developing a supply chain, STUK actively seeks to select two or more Partners in an area, to encourage collaborative working, ensure a range of resources available and provide a 'back-fill' in the event of a Partner leaving the supply chain.

The supply chain for both The European Social Fund 2011-13 Support for Troubled Families and YC resulted in being a fair representation of public, private and third sector organisations to ensure the scope and variety. A number of innovative and creative Partners were selected to achieve the commissioner's (DWP and EFA) objectives and meet contractual requirements.

The Partners currently in the supply chain are in a strong position to provide holistic services to the customer groups, meet local demographics, address rural and urban issues, deprivation, etc. The reason is that they were selected based on their ability to cover a geographical area, previous experience and capacity, already had established networks and Partnerships, as well as demonstrating specific expertise. Throughout the Expression of Interest (Eoi) and due diligence additional evidence and requirements were requested, which are detailed in 2a below.

In summary, STUK has a very forward-thinking approach and clear strategies to ensure a robust and flexible supply chain at all stages of the contracts awarded, which has been sustained despite the low volumes for The European Social Fund 2011-13 Support for Troubled Families to date.

STUK continue to review the objectives of the commissioning bodies and the needs of the customer groups, which has resulted in additional Partners joining the supply chain recently.

The delivery model for The European Social Fund 2011-13 Support for Troubled Families is to engage families and undertake interventions, which ensures they achieve Progress Measures, as a result, it is essential that Partners broker provision from external agencies where necessary, for example, housing support, debt advice, alcohol and drug services, etc. Similarly, the YC, whilst in the early stages, has encouraged Partners to source support from external parties to meet the need of the individual's, for example, Kent Association of Training Organisation (KATO), training providers with specific expertise, etc.

There was evidence of one partner developing their own supply chain to support the delivery of the services, which was actively encouraged and supported by STUK.

STUK has been proactive in brokering with Job Centre Plus in all the areas, on behalf of the Partners, which has proved to be highly successful to date.

In order to support Partners in the future, consideration should be made to developing, sharing and maintaining a resource directory of appropriate agencies. This would encourage the use of wider networks outside of the supply chain, provide an indication of those that are trusted and capable of meeting the needs of the families/young person and reduce the time spent sourcing appropriate support.

2 Commitment

2a) Collaboration, cooperation and communication

Partners believe that communication throughout the procurement stages was proactive and effective. Partners made reference to meetings prior to the EoI, on an individual and group basis, in addition, presentations at local learning forums and other local networking activities, which provided a clear overview of the contract, the expectations and provided the opportunity to ask questions to clarify any areas of uncertainty.

Reference was made to the presence of, and access to personnel from senior management through to operational representatives within STUK, which instantly indicated a strong commitment from the top to them. Partners felt at ease to contact any member of STUK team through email, telephone and face-to-face, and confirmed that they were very responsive.

"They were fantastic throughout the procurement process from EoI onwards."

Partners explained how they were made aware of the opportunity to complete the EoI, through DWP website, STUK website, Bravo Solutions, direct telephone or email from STUK, recommendation from others, etc.

Partners explained that the due diligence process was not too onerous and support was available from STUK, if required. Communications continued to be on going through to contract award at which stage further meetings and visits were undertaken.

Those that were unsuccessful confirmed that communication was effective and they felt well supported throughout the process. There was a clear understanding of why they had not been successful. They had been encouraged to stay in contact in the event of suitable opportunities in the future.

Consultation with the supply chain started at an early stage, through partner days and one-to-one visits. These influenced the design of systems and processes, including the IT system, Solutionsg.

"The paperwork was changed as a result of one meeting."

"I know they took our comments on board regarding Solutionsg"

Partners confirmed that consultation has continued, which has resulted in removing the bottleneck for referrals, reducing the time lapse to get a Participant started on the programme, increasing the number of Progress Measures and further amendments to Solutionsg. However, Partners felt this tended to be at a local level, or one-to-one visits with the Operations Manager. As a result, consideration should be made to increasing the consultation opportunities across the entire CPA.

STUK actively seek to work with Partners who recognise the importance of collaborative working. There were a number of examples of Partners working in collaboration, for example, The Consortium of Sussex Colleges, Partners in Kent and Brighton, etc. Whilst STUK actively promote and support collaborative working it was evident that the Partners are more than willing to work together to achieve the outcomes of the contracts.

In some areas there was evidence of Partners collaborating to encourage referrals across their area, joining forces and co-locating in premises to reduce the drain on resources until the volumes increase, others had transferred Participants to provide more suitable support. Partners are encouraged to attend the LA meetings with STUK, local networks and forums. Partner events and Progress Coach Workshops are organised to encourage collaborative working across the supply chain. Consideration should be made to identifying different approaches to developing collaboration across the entire network.

Partners confirmed that communication channels are very open and the information is clear and *"straight-forward"*, and as a result there is no ambiguity regarding the business relationship. Partners believe that STUK has a very open and honest approach to doing business, which underpins everything they do.

"Very open – put the cards on the table."

"Clear and precise."

"They provided good information."

"Good guidance, especially if things change, its very clear and straight-forward."

"We're all on the same page."

"The partner event was excellent and very open."

2b) Developing supply chain Partners

The due diligence identifies Partners who actively diversify and are able to sustain their business until a contract is up and running. However, STUK do not relinquish responsibility. The Operations Manager and CIOs provide support and encouragement to access other business opportunities. More recently, a Partner with Progress! (if had the capability) was offered a YC, to support the organisation until volumes came through.

Throughout the due diligence process, Partners were requested to put their plans forward to demonstrate how they would resource Progress! i.e. staff levels, training requirements, premises, etc. Subsequently, due to low volumes the Operations Manager and CIOs have been working very closely with Partners, reviewing their plans to ensure they continue to be financially viable and sharing resources with STUK, as opposed to investing heavily in additional staff and training activities.

STUK assist Partners to access additional funding streams, for example, offering those with the capability and capacity a YC as well as Progress! or increasing the volumes. Reference was made to providing Partners with access to the Foundation Learning and apprenticeships. In addition, a Partner had designed a process map and subsequently shared this, which indicated where funding was available through ESF. Partners confirmed that they had been approached with opportunities for additional funding streams, but did not feel they had the capacity at this stage.

The collaborative working has provided Partners with the opportunity to access additional support services to build capacity to contribute to delivering a range of services. There was evidence of Partners using the services, including training opportunities, within the supply chain.

Partners made reference to STUK requesting an indication of learning and development needs throughout due diligence activities, which they confirmed had been honoured in terms of systems and processes, paperwork requirements, Solutions9, etc. In some cases, the Operations Manager has met with an individual to provide additional one-to-one support, which was confirmed by the Partners. In addition, new systems and processes were fully explained and additional support provided, for example, claims process.

In the future, consideration should be made to undertaking a full training needs analysis for the Partners and those individuals delivering the programmes. In addition, whilst checks are made to ensure individuals have gained the outcomes required of the learning and development, consideration should be made to further evaluating the impact and return on investment, for example, webinar for Solutions9.

2c) Contracting and funding

Partners confirmed that the procurement processes are fair and transparent, they felt the EoI and due diligence activities were straightforward and supportive. Partners were aware of the requirements to be a preferred Partner, including the scoring mechanism.

"They don't bombard you with massive forms, they get what they want quickly."

Irrespective of whether a partner was successful or unsuccessful they received appropriate communication advising of the position, and if required a detailed explanation was available. Those that were unsuccessful on this occasion felt it was a positive experience, and confirmed that they would be happy to work with STUK in the future, based on the way they had been treated to date.

Partners made reference to the on going involvement of the senior managers throughout the various stages of contracting and funding, which was valued by the Partners, and further demonstrated their commitment to the contract.

Partners described the discussions and options regarding the funding arrangements, which took place with a senior manager. They were made aware of the two options; tier one and tier two, with different risks attached, Partners clearly understood the tiers, and selected their preferred tier following in-depth discussions to ensure they remained financially viable.

"We went for the higher risk, and were comfortable with that."

A Partner explained that through the negotiations for the YC they have been able to claim an early sign up fee, which is helping to offset the deficit from Progress!

The contractual documentation clearly indicates expectations, obligations, minimum service levels, fees and payments, Progress Measures, outcomes, requirements for TUPE, environmental, health and safety, data security, etc. Partners confirmed that the documentation was very clear and understood what was expected at each stage of the contract. If there was any uncertainty they were able to refer to STUK for advice and guidance.

The Partners were selected based on a number of criteria, which included location, to ensure the allocation of market share was viable and transparent. In areas where there were two or more Partners, there was a clear understanding of how the allocation had been divided and in some cases further discussions had been undertaken with the Partners to agree the final allocation.

"The allocation and subsequent re-allocation was fair and transparent - it was not disproportionate."

The Progress! volumes were allocated along with the market share, which Partners accepted, but equally resulted in minimum negotiations taking place at the start of the contract. Partners confirmed that through the pre-contract award meetings and visits, the contract documentation and range of one-to-one discussions with senior managers and the Operations Manager they were clear about the funding and performance expectations.

Whilst volumes have been low for Progress! STUK has proactively and effectively managed expectations including funding and performance, which has been greatly appreciated by the Partners.

Partners confirmed that the requirements identified pre-contract award have been honoured, including learning and development activities, extensive support to resource the contract, opportunities to gain additional funding payments, etc.

Payments started to be made for Progress! following the introduction of the 13-week interim payment. Partners explained the support they gained from STUK to ensure the claims forms and evidence collection were accurate, and as a result, payments have been made accurately and in a timely manner.

Partners are aware of the management fee, which they believe is fair and in line with other Prime providers. They are aware of the services and support they gain in return for the fee and feel that they are gaining value for money at this stage of Progress! The challenge STUK will face is to continue to provide value for money as the contract gains momentum.

3 Conduct

3a) Demonstrating commercial and business integrity

STUK have a clear set of values, which are about respect and performance. They are driven by a genuine desire to improve the quality of life for the individuals in the communities where they work. Equally they pride themselves on being honest, open and fair.

All the Partners that were interviewed opted to work with STUK based on their values. A number described how commitment and passion from the senior managers were shown throughout the early presentations, and made the following comments:

“They accord with our own.”

“We are both in the same learning curve.”

Whilst volumes have been low for Progress! and Partners have invested time and money in the contract, with no substantial financial reward to date; they continue to be in the supply chain due to the strong values of the organisation.

Progress! and YC were new contracts and as a result did not require TUPE strategies. However, there was evidence of TUPE being applied following the award of the Work Programme. STUK were proactive in identifying those individuals affected, and through working with others ensured effective consultations and transfers, where appropriate. In the cases where individuals failed to transfer, STUK provided additional careers support, providing advice and guidance for the future.

Partners confirmed that the interactions with STUK were consistently positive and supportive, with all personnel they have come across.

“The administrator is great.”

“It’s two-way – it’s a Partnership.”

A number of the Partners made reference to the extensive support gained due to the low volumes, the introduction of the second referral route, additional payments and resources.

“Can’t give us any more support than they do.”

Partners are kept up to date with legislative and regulatory requirements through emails, briefings and visits from the Operations Manager and CIOs. Partners confirmed receipt of these communications and some confirmed that these were reviewed throughout subsequent meetings and visits. In future, ensure meetings/visits incorporate discussions to ensure understanding of new requirements and appropriate implementation has taken place.

In terms of updates to the contract, once again, Partners felt well informed and trusted STUK to communicate the requirements, when appropriate. Partners felt confident to approach STUK with any areas of uncertainty, due to the positive and open approach they have to doing business.

3b) Quality Assurance and Compliance

STUK have a positive approach to quality assurance, which is addressed in a Continuous Improvement Framework. The Continuous Improvement Framework is a rigorous audit, auditing different areas of contract delivery, observations of practice and formal feedback activities from Participants.

To date, due to the low volumes for Progress! an extensive range of activities has not been undertaken. STUK have adopted a more supportive role, working with the Partners to gain referrals, as opposed to extensive auditing and quality assurance. Partners confirmed that 100% audit of paperwork and completion of the Solutionsg requirements is undertaken, and findings have resulted in improvements being made.

In addition, Participant feedback is gained from some interventions, but this was not consistent practice across the supply chain.

Some Partners made reference to a full audit that had recently taken place, but this was not consistent across the supply chain, due to minimal operational activities of some Partners. *"A full quality audit has been undertaken, but with no resultant QIP as we were fully compliant."*

Partners also explained that the regular meetings with the Operations Manager and CIOs include a discussion on each Participant to gain an understanding of their experience and progress, and as a result, any quality issues relating to service or experience are addressed.

YC Partners are aware of the Continuous Improvement Framework, however, due to the contract just starting there was minimal evidence of activities taking place.

It is apparent that STUK have adopted a level of quality assurance, which is proportionate to the operational aspect of Progress! As volumes increase and activities are extended wider than referrals the Continuous Improvement Framework will have to be implemented rigorously and Partners expectations managed effectively.

STUK have gained accreditation against the **matrix** Standard, which indicates strong practices in the area of Information, Advice and Guidance (IAG).

Through the due diligence activities, Partners were asked to give details of their IAG and its delivery, and findings indicated that a number of Partners are **matrix** accredited, or as a minimum, ensured delivery staff are competent to the minimum qualifications. Some Partners explained that STUK were encouraging them to develop their delivery staff and provide them with the opportunity to progress from Level 3 to Level 4 National Vocational Qualification (NVQ).

Partners confirmed that security of data and assets was covered in detail through the due diligence activities, which includes providing a copy of their security plan or their ISO27001 accreditation.

Once a partner is successful a site visit is undertaken by STUK to check that appropriate systems and processes had been implemented. In addition, staff were provided with the relevant training to ensure they were aware of the requirements, which included access to computers, dealing with confidential data and the systems and processes to conform to Solutions9.

The Operations Manager and CIOs explained that throughout their visits to Partners' premises they include informal observations of practice to ensure people are behaving in line with the policies and processes.

Once a partner has been working with STUK for a full year the Continuous Improvement Framework will include an annual check. In the future, consideration should be made to a more overt approach to observing data and asset security, which includes feedback to the Partner, indicating findings and areas for improvement.

Health and safety is addressed throughout due diligence activities, which includes gaining a copy of Partners' health and safety policy and subsequent site visits to ensure the site is compliant. Some Partners made reference to completing risk assessments in order to become a SCP.

Once again, the Operations Manager and CIOs undertake a visual check of office space to minimise the risk related to slips, trips and falls throughout their visits.

A high level of Progress! interaction involves lone working; as a result, personal safety is a high focus for both the Participant and Coach. The manual providing an outline of all the systems and processes includes a lone working policy, which is readily available. In addition, throughout the Partner days, personal safety is referenced.

STUK have a rigorous process to assure safeguarding of vulnerable groups, both for themselves and the Partners. Recently, STUK revised their policy with the support of Partners to include minors. Extensive training and awareness activities are delivered to ensure staff clearly understand expectations.

Partners are required to submit their safeguarding policy throughout the due diligence activities and subsequent checks are carried in relation to CRB activity for all staff and appropriate training and support provided.

Some Partners made reference to the CIO recently checking the Safeguarding training provided for staff throughout the past year, which is part of the Continuous Improvement Framework requirements.

Once the contracts are operating to full capacity consideration should be made to further checking of safeguarding activities throughout the year, and not waiting until the annual check.

Partners explained that they submitted their environmental sustainability policies and plans throughout the due diligence activities. Within their own plans they have identified specific targets at local level, which they monitor.

STUK have adopted a proactive approach to environmental sustainability internally, which was evidenced through a Sustainable Development Plan and CSR Policy 2012 – 2015. The plan indicates targets for 2011/2012 and 2013 – 2015, and achievements to date for 2011 and 2012, indicating that it is monitored at regular intervals. Recent changes to the policy feed into the overall CSR policy, which provides wider organisational and stakeholder expectations. These now need to be shared with Partners to ensure they understand how they are being measured and monitored.

STUK recognise the value of identifying, sharing and monitoring good practice across the supply chain and have adopted a range of activities involving different personnel. Examples included;

- ▲ Progress! Coach meetings,
- ▲ Partner Events,
- ▲ Local events/LA meetings,
- ▲ One-to-one discussions with the Operations Manager and CIOs,
- ▲ Within their own networks, etc.

Examples of good practice being shared, predominantly through the Operations Manager, included, conversation pad, street-walk, specific training interventions to support different groups, etc. Comments included:

"I've been asked to write up two success stories to be shared in a newsletter."

"Working with the Operations Manager we discussed working with people in rural locations and how some coaches have used travel training."

"We use the conversation pad with young people.... and shared that with some Partners"

In the future, ensure Partners understand what constitutes 'excellent' practice, and consider providing more formal opportunities to engage the entire supply chain in identifying and sharing excellent practice across the network.

3c) Honouring Commitments

Partners confirmed that the negotiations were always clear and open and the initial agreements have been upheld by STUK through their subsequent actions. Whilst the volumes have been low there is an understanding that this is contract wide, and as a result, not the fault of STUK in terms of inaccurate figures at the start.

Partners believe that STUK have gone above and beyond in some cases, providing extensive support and guidance, being empathetic and recognising that they may be suffering financial hardship, and as a result, proactively negotiated interim payments, off-set payments against the YC and introduced the second referral route.

Senior managers confirmed that they are open to challenges through the dispute resolution processes if a Partner feels that commitments have not been honoured. Partners confirmed that they are made aware of the processes in the contract documentation.

Due to the relationship with STUK, Partners are confident to approach any personnel within the organisation to discuss issues and areas of concern, if required.

Senior managers confirmed that they would be bound by the decisions from the mediation and arbitration services if it has not been deemed to honour commitments under the contractual requirements to the DWP Code of Conduct. In the 20 years of operating there have been no formal disputes with Partners.

Whilst Partners were aware of the processes for dispute resolution and the existence of mediation and arbitration services there was uncertainty round the Merlin Mediation Service; as a result, consideration should be made to periodically reminding Partners of this specific service.

Partners confirmed that they were aware of what was expected of them and others, at each stage of the contract, which was explained at pre and post-award contract meetings and visits, as well as through the contract documentation.

As volumes increase, STUK will start to set targets and benchmark Partners' performance, (as with previous contracts) however, at this stage it was felt inappropriate to introduce this approach.

3d) Performance

The organisation has a number of strategies to encourage collaborative working, which were adopted at an early stage:

- Identify Partners who have worked collaboratively in the past,
- Select two or more Partners in each area.

Partners recognise and value the benefits of working together and proactively seek opportunities to support and promote the performance of other Partners at local level. For example, two local Partners agreed to support each other and refer Participants, playing to others strengths.

Whilst extensive collaboration has been taking place, this has tended to be at local level, predominantly due to contract issues, consideration should be made to encouraging greater collaboration across the entire supply chain.

STUK have been sensitive to Partners' (Progress!) position due to low volumes and as a result have adopted a very informal approach to performance reviews. Regular meetings have taken place with the Operations Manager and more recently a CIO with the aim of reviewing performance, identifying ways of gaining more referrals, checking that systems and processes are working effectively, etc.

Whilst Partners made reference to the regular meetings and explained a range of topics are openly discussed, including any issues or concerns regarding Progress! it was not always perceived as a performance review.

"They have prioritised performance in current key areas, such as referrals."

"The meeting tends to be a general chat."

Despite the early stage of the YC there was already evidence of meetings taking place, but once again, these tended to be informal.

"We've had one performance review, but it was informal and not based on hard performance data."

Whilst STUK has performance managed their Partners effectively to date, and they continue to have a robust supply chain, consideration should be made to managing Partners' perceptions and expectations relating to performance management, especially when performance management is started in the true sense.

Performance expectations were clearly defined for and understood by all parties pre and post contract award through a range of meetings, site visits and documentation. Partners referenced their outcome targets for the three-year contract, and whilst the volumes had been low to date they continued to emphasise that they were receiving extensive support from STUK.

STUK have commissioned a stand-alone Management Information system, referred to as Solutions9. This is tailor made for each contract they deliver to provide the relevant information for the organisation and Partners. Partners were involved in the initial design and have subsequently had the opportunity to feedback further recommendations for improvement.

Partners confirmed that extensive training has been provided to ensure maximum use of Solutions9, and where required and requested, they have received additional support from the Operations Manager.

Partners are aware of the reporting facility, however, due to the low volumes it has proven difficult to generate comparative reports. They have the confidence that once volumes start to increase the system will provide the reports required. In the future, ensure Partners are aware of all functionalities of Solutions9, links to 3e.3, analysing equality and diversity data.

Partners confirmed that they receive value for money for the management fee paid to STUK, due to the extensive support and guidance gained throughout the early stages of the contracts.

Partners referenced value for money across the contracts as delivering profile and achieving outcomes, both Progress Measures and jobs. Some had developed their own definition, i.e. use freelance deliverers, which results in a lower, per capita cost, compared to other Partners.

Whilst each Partner has a good understanding of value for money, consideration should be made to ensuring Partners understand STUK's definition of providing value for money across the contracts.

Partners made reference to Solutions9 being the main tool used to measure distance travelled. Progress towards achieving the Progress Measures and job outcomes was identifiable in conjunction with Participants' plans and interventions undertaken.

Partners explained the current Progress Measures and the fact that additional measures had been submitted to DWP for consideration to address a range of different needs of the Participants.

Partners also made reference to tools used internally, which could be shared across the entire supply chain network in a formal manner; conversation pads, maintaining evidence files for engagement, Richter Scale, learners diaries, etc.

3e) Promoting Equality and Diversity

STUK has a positive approach to equality and diversity, when selecting Partners their level of commitment to equality and diversity is taken into consideration. Throughout the due diligence activities, relevant policies and data were gained to ensure they were aligned to their own. Subsequent monitoring is undertaken to ensure advertising, marketing and job promotion materials are in line with the requirements and clearly meet the Equality Act requirements, for example, promoting positive approaches to disability, non-discriminatory statements, etc.

Solutions9 is the main platform for recording data relating to equality and diversity, which Partners populate when processing new Participants. Due to the low volumes to date there was very little evidence of the Partners monitoring and using the data. However, there was evidence that the Operations Manager had used the data to identify minority groups in local areas and plans had been developed to engage these groups, for example, lone parents with a child with special education needs, increasing referral rates amongst the over 40's and 50's, engaging women in specific ethnic groups, etc.

In addition, additional Progress Measures had been identified as a result of the analysis of data, which included, but was not limited to supporting individuals with the following: IT, caring for adults, having children with truancy and behavioural problems, etc.

An Equality Impact Assessment is undertaken annually, which provides further opportunities to analyse data regarding achievements against a range of groups and impact on wider socio-economic outcomes. Partners recall the assessment being undertaken, however, there was no recollection of the results been communicated, or awareness of the future plans.

In the future, ensure communication takes place regarding the plans, and encourage Partners and CIOs to monitor and analyse the equality and diversity data, and use to engage and support specific groups, locally and regionally.

4 Review

4a) Supply chain review

STUK seek feedback from different stakeholders, using a range of mechanisms. The senior management team represent STUK at numerous meetings at national and regional levels. In addition, there is on going dialogue with Local Authorities, Local Enterprise Partnerships, Job Centre Plus, local networking groups, etc. to constantly review and improve the service provision at regional and local levels.

Feedback gained from external audits undertaken by DWP is taken on board and improvements implemented.

Progress! is an individualised programme, which seeks feedback following each intervention, and as a result, programmes are adapted to meet the needs of the Participant. In addition, due to working with specific groups, improvements have been made to the way communication takes place, for example with young people, using Facebook, as opposed to telephone calls and texts.

Partners are encouraged to provide feedback to the Operations Manager and CIOs throughout the visits undertaken with the aim of improving the service provision.

STUK undertake an annual self-assessment, which results in the completion of a report and development of a Quality Improvement Plan (QIP). The development of the report includes the self-assessments completed by the Partners and input from LAs. Some Partners confirmed that they had just completed and submitted their self-assessment, and as a result, were waiting for the report and an indication of the quality improvement areas.

Whilst the process of generating the self-assessment report had just started, there was evidence of a clear plan and timeframe that the organisation was working towards to generate and communicate the report and subsequent QIP.

Prior to the start of Progress! Partners attended the Partner days, which included a presentation explaining the wider objectives and policy intent of the commissioner. As a result, Partners understood what was expected of them in terms of impact on Participants and the local communities. In addition, it was recognised that this contract required a focused, joint approach of the stakeholders working together to achieve the outcomes.

Partners were aware of the current Progress Measures, and those developed and submitted to DWP, which contribute to the wider objectives and policy intent at local and regional levels.

Regular meetings with the LAs and other external stakeholders ensure the different parties and Partners are kept abreast of the wider objectives and policy intent, and as a result the activities of the supply chain are aligned.

Partners described a number of impact measures achieved at local level as a result of working with a range of Participants, which contributed to local and regional initiatives, and the wider objectives and policy intent, for example, reducing worklessness, homelessness, poverty and crime, improving health and well-being, developing and improving sustainable communities, to mention a few.

Specific examples included:

- ▲ A young person, previously experiencing family problems and issues with the police, was now engaging in college, socially interacting (which had been difficult historically), which was improving her well being and not being drawn into anti-social behaviour.
- ▲ An individual, with previous convictions, had issues relating to safeguarding, which were addressed, and is subsequently working, and therefore having an impact on wider anti-social behaviour.
- ▲ An individual, with a range of complex family and health issues, had progressed to a stage of employability and using the skills gained throughout the training and interventions to manage a range of domestic related situations effectively.
- ▲ A young person with a history of long standing violence was now working part-time, and subsequently reduced the anti-social behaviour.
- ▲ 58% of the homes visited throughout the street-walk programme were identified as falling into the catchment of Progress!

The proactive approach STUK has taken to environmental sustainability has resulted in the organisation being able to demonstrate achievements against specific targets, for example, reducing energy costs, carbon footprint, social, etc. Whilst a high proportion of Partners also have a plan, which is monitored internally, this is currently not monitored and measured across the entire supply chain (links to 3b.7).

Locally Partners described the joint approach to working on these contracts, in terms of public, private and third sector parties working together for the benefit of the Participants. In addition, it was acknowledged that external stakeholders had been brokered and now working with/supporting the delivery of the programmes, for example, Job Centre Plus, The Streetwalks programme (which incorporates local police, fire, social workers and a number of volunteers), etc.

Whilst there were numerous examples of the impact the contracts have had locally, consideration should be made to ensuring the Partners understand the impact of the entire supply chain against the wider objectives/policy intent.

STUK ensure the supply chain continues to evolve and improve to meet the changing needs of customer groups and the commissioner, which was evidenced through the introduction of new Partners with specific expertise; creative arts and drama. In addition, there were Partners having just completed the due diligence activities and entering into the contracting stage.