



merlin

promoting supply chain excellence

Assessment Report
For

G4S WELFARE TO WORK

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On behalf of emqc Ltd

Assessment Date: 11/06/2012 – 14/06/2012

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About the Organisation

G4S is one of the world's leading supply chain managers and is well placed to select, manage and coordinate a successful supply chain. G4S spends over £300m with 6000 subcontractors every year including hundreds of community organisations and voluntary sector agencies.

Formed in August 2010, 'G4S Welfare to Work' (G4S) currently operates as Prime Contractor for three Work Programme (WP) contracts and one European Social Fund (ESF) Support for Families with Multiple Problems Programme on behalf of Department for Work and Pensions (DWP)

G4S operates a 100% subcontracted delivery model, with service delivery completed by a diverse range of subcontracted organisations, representing the private, public and third sector.

The entirely subcontracted delivery model concept is fundamental to the business ethos and ethics of G4S who believe that it enables them to create a diverse supply chain which provides customer choice and which removes any conflict of interest of a Prime Contractor being involved in direct delivery.

Assessment Methodology

The Merlin assessment plan ensured that a representative sample of WP supply chain partner organisations and their staff operating in CPA07 – Greater Manchester, Cheshire and Warrington, CPA10 – Surrey, Sussex and Kent and CPA18 – North East Yorkshire and Humber, and ESF Support for Families Contract CPA06. Greater Manchester, Cheshire and Warrington took part in the assessment.

The assessment team including the lead Assessor, Ruth Regan, and team Assessors Neil Potentier and John Taylor spent 12 days onsite completing the assessment which involved 27 face-to-face or telephone discussions with senior managers, managers, support and customer facing staff from both active members of the supply chain and 1 organisation who had left the supply chain post contract.

A range of G4S staff engaged in supporting and managing the supply chain, some 22 in total, were also interviewed.

The assessment team visited locations in Worksop, Hull, York, Manchester, Brighton and London to ensure as wider spread of Supply Chain Partners and G4S employees could be engaged in the assessment as possible.

During the assessment, the team was able to review a range of written documents and review the IT based system used by G4S and their supply chain.

Assessment Outcome

Overall %	70%
Overall Outcome	Good
Supply Chain Design	Good
Commitment	Satisfactory
Conduct	Satisfactory
Review	Satisfactory

Strengths

A range of strengths were identified during this Merlin assessment and these are summarised below. The numbers in brackets represent the criteria of the Standard to which the areas relate.

- ▲ The team created to establish the G4S supply chain had both a strategic and operational understanding of the Welfare to Work sector and were therefore able to utilise this knowledge and experience to excellent effect in developing its bidding and supply chain strategy / approach. (1a.1)
- ▲ The scope and variety within the supply chain was achieved through a very detailed and robust analysis of the customer need and the subsequent identification and engagement of potential partners who were identified by G4S as being able to fulfil their stated requirements. (1a.1) (2c.1)
- ▲ The 100% subcontracted delivery model used by G4S has enabled them to develop relationships with a range of subcontracted organisations across each CPA, representing the private, public and third sectors. (1a.2) (2c.1)
- ▲ Communications at all stages of the procurement activity were described as direct, honest, fair, open and two-way. The level of information provided relating to the finance model and the acknowledgement by G4S that they would be operating a 'Black-Box' approach to delivery, was particularly praised by the Supply Chain Partners. (2a.1) (2a.2) (2c.1)
- ▲ Since the contract started, a revised formal communications strategy has been launched which is acknowledged by the supply chain as being comprehensive and structured. Supply Chain Partners described the communications as good to excellent, transparent and open. (2a.4) (2a.5)
- ▲ The time and effort taken by G4S staff to ensure contract / service level agreements were understood and acceptable was appreciated by the supply chain. Details within the Letters of Intent clearly set out market-share, volumes etc., and Supply Chain Partners were able to quote their market-share. (2c.3) (2c.4)
- ▲ G4S have demonstrated flexibility in their approach to negotiations and payment terms for individual organisations (2c.6) (3c.1)

- ▲ Supply Chain Partners commented that at all levels and across all teams within the G4S Welfare to Work organisation, staff are approachable, available and responsive. (3a.3)
- ▲ There is a clear strategy for the security of data and assets, based around ISO 27001 which is understood by the supply chain and robustly monitored by G4S. The safeguarding policies and processes used by the supply chain are also high on the G4S audit and compliance agenda. (3b.4) (3b.6)
- ▲ Through the approach taken to engaging with organisations both pre and post contract, the expectations of G4S of their Supply Chain Partners are very clear and unambiguous. This includes performance expectations. (3c.1) (3d.2) (3d.3)

Areas for Improvement

The following suggestions are made by the assessment team in order to provide additional value for G4S and their further development and improvement of their supply chain management. The assessment team have endeavoured to identify as many suggestions as possible in order to encourage G4S to continue to seek excellence in all its supply chain management activities.

- ▲ Continue to review the opportunities available through the supply chain (and in particular the range of additional, complementary services available through the 'knowledge bank') and consult with all stakeholders to ensure that the range of support available meets the ongoing needs of the customer groups. (1a.1) (4a.1)
- ▲ Consider what more can be done to encourage the Partners to work collaboratively to share their best practice / innovation approaches to delivery. (2a.3) (3d.1)
- ▲ Revisit how you actively promote, and facilitate the learning and development of supply chain staff. Consider how needs are identified and how, when and where programmes of learning are promoted and what measures you put in place to evaluate the impact and effectiveness on service delivery. (2b.1) (2b.3)
- ▲ Continue to support Supply Chain Partners to develop their business proposition through signposting and supporting them to additional funding streams. Evaluate success rates and impact on the organisations capability to delivery. (2b.2)
- ▲ Continue to review the impact of low volumes on the cash-flow / financial viability of the Supply Chain Partners (including the knowledge bank) and review financial arrangements as appropriate. (2c.2)
- ▲ Revisit the opportunities available through the 'knowledge bank' providers and ensure that the funding arrangements for these services are clearly understood by all Supply Chain Partners. (2c.8)
- ▲ Ensure 'lessons learnt' from the TUPE implementation strategy are logged and actioned if needed in the future. (3a.2)

- ▲ G4S operates a robust approach to the performance management, compliance and quality assurance of its supply chain in order to support their ability to deliver the contract targets. While this is understood by Supply Chain Partners, some find the approach taken (on occasion) by their Supply Chain Manager as overly assertive and not necessarily conducive to long-term relationship building. Consider what steps can be taken to re-visiting the core principles by which the Supply Chain Managers operate (customer focus, expertise, performance, best people, integrity, teamwork and collaboration and care) and agree a consistent approach and style to performance management. (3a.1) (3d.4)
- ▲ The ongoing benchmarking, setting and revising of impact measures / monitors need to follow on from the work already completed around health and safety, safeguarding and environmental sustainability. (3b)
- ▲ Ensure the Quality Review Group reviews the impact of the revised Quality Management Framework to ensure it is actively being used to improve and inform service delivery across the supply chain. (3b.1) (3.b2)
- ▲ Continue to review how equality and diversity data is collected and analysed and used to inform improvements to service delivery and supply chain design. (3e.2) (3e.3)
- ▲ Revisit the approach taken to the development of the annual self-assessment report and how any subsequent action / development plan can be shared across the supply chain. (4a.2)
- ▲ Ensure Supply Chain Partners develop their own impact measures to support the wider objectives of the commissioner and that successes are shared across the CPAs. (4a.3) (4a.6)
- ▲ The key area of improvement for the organisation is IT. The system introduced by G4S to support the transfer of management information and funds across the supply chain is a significant concern for both G4S and its partners. Despite the time and resources allocated to the development of the system it remains a frustration for those who use it. For example:
 - Information produced is perceived by Supply Chain Partners as being on occasion inaccurate and unreliable;
 - Staff are having to spend more time than is perceived as acceptable uploading information onto the system, and;
 - The perceived inadequacies of the system were having a negative impact on the Supply Chain Partner's perception of G4S Welfare to Work as an efficient supply chain management organisation.

Action needs to be taken to ensure that either the current system evolves quickly into a workable system or is replaced with a more appropriate alternative.

Areas Requiring Further Development

- ▲ None identified during this assessment.

Assessment Findings

1 Supply Chain Design

1a) Supply chain design

Once the decision to tender to become a Prime Contractor was made, a business development team, including people with extensive Welfare to Work experience, was created. Their remit was to *'create diverse supply chains of high performing delivery partners that meet the requirements of G4S and the commissioner'*.

In order to raise awareness of their intention to bid to become a Prime Contractor for both the Work Programme and the ESF Families Programme to as wider audience as possible, a mixed-mode communication action plan was created and deployed which included the development of the G4S Welfare to Work website, holding webinar question and answer sessions with interested parties (which are still available on the website), creating a Google advert, writing to the top 250 Welfare to Work providers to inform them personally of what they were proposing, attending think-tank events and conferences, providing information to the media and promoting their intentions to employer network organisations etc.

Interested parties were systematically engaged in open and transparent discussions about the specification and their abilities to meet the needs of the full range of customer groups required for each programme. Discussions around an interested parties capacity (financial and resource), approach to equality of opportunity, health and safety and quality assurance, their experience and expertise in supporting the range of customer groups anticipated were, whenever possible, all carried out face-to-face.

Rather than create the typical expression of interest questionnaire, G4S created the 'ACE Card', which allowed interested parties to complete their own 'Assessment of Capability Exercise' and judge if they had the prerequisites required to join the supply chain as a Job Broker, Family Support Broker, In Work Partner or Knowledge Bank Specialist.

All submissions were evaluated against pre-published criteria, and short-listed parties were invited to attend pre-tender negotiation meetings to discuss and agree specific elements of delivery, capacity (profiles based on DWP indicators), costs and geographical spread.

A thorough financial, risk and delivery analysis of the potential sub-contractor capacity was undertaken, including their potential to accommodate higher or lower volumes, tolerance levels and their capacity and capability to absorb additional delivery.

G4S took a proactive approach with quick responses to all parties that were successful and unsuccessful at the bidding stage. Due to the volume and the interest to be a part of the G4S supply chain, e-mails were sent to the organisations where they were unsuccessful; however where particular providers wanted more information G4S supported and facilitated this process.

Interviewees from the supply chain commented that they were impressed by the time and effort taken by G4S to engage at a personal level with interested parties and that through the face-to-face meetings and robust communication processes they gained a real understanding of the culture, values and approach G4S would take to delivery and performance management post contract award.

Following the robust selection process 21 organisations were invited to form part of the end-to-end supply chain network delivering the Work Programme and / or the ESF Families Programme.

In selecting these 26 organisations, performance in providing successful support to all customer groups and all types of claimants, an existing profile within the communities they were to serve and a 'situational approach' to client interventions (pragmatism, personalised and proven) were part of the selection process.

Consequently, the end-to-end supply chain comprises of a varied mix of 6 public, 13 private and 7 third sector organisations including, Councils, community based organisations, a mental health charity, national providers with a background in welfare to work and well established providers based within each CPA.

Organisations joining the 'knowledge bank' are specialist organisations identified to meet the additional services and to address specific needs to progress customers through their journey towards sustained employment. These are a mix of nationally recognised organisations, local colleges, those offering specific services such as housing, debt advice, drug, and alcohol and health awareness etc, skills for life, self employment skills and loan parent support.

There are currently two national organisations fulfilling the role of In Work Partners. Individual in work support is available from 3 or 6 months depending on the co-hort and is an integrate part of the customer journey.

Other networks contribute to the supply chain including voluntary and community sector networks, colleges with access to complementary adult skills provision, NHS support / signposting etc.

2 Commitment

2a) Collaboration, cooperation and communication

In order to ensure that all interested parties had access to the same level of information, details of the delivery and funding model and the timescales leading up to the tender submission were all made public through the G4S website, brochures etc, underpinned by written communication and oral dialogue. Since the contract started, a revised formal communications strategy has been launched which is acknowledged by the supply chain as being comprehensive and structured. This includes:

- Weekly RAG rated communications log email which includes updates from DWP, notification of revised documents, legislative updates, quality assurance / compliance information etc;
- Monthly newsletter from the MD to all Supply Chain Partners;
- A monthly article in the G4S Link Magazine, and;
- ISIS News – a newsletter specifically aimed at keeping the Supply Chain Partners informed about developments / changes / anomalies to the management information system

Supply Chain Partners described the communications as good to excellent, transparent and open.

G4S has allowed its supply chain to take a 'Black-Box' approach delivery. This means that the design of systems and processes relevant to delivery is predominantly down to the individual Supply Chain Partner. G4S believe they have contracted with some of the best providers across the Country and therefore do not need to prescribe the delivery model.

Consultation does take place regarding the management information system, compliance etc., and Supply Chain Partners confirmed that the predominant style of communication (with the exception of compliance / performance management issues) is consultative / conversational rather than telling / directional. They described being consulted on developments they would like to see being made to the management information system and confirmed that this had led to numerous, but ongoing developments.

G4S have what are described as 'beacon organisations' who act as role models for sharing best practice. For example, one organisation had what was acknowledged as being an exemplar approach to employer engagement and were asked by G4S to run a best practice forum for other Supply Chain Partners so they could learn from their approach and improve employer engagement across the CPA. Members of the supply chain confirmed that G4S facilitates monthly meetings to allow them to support each other and to share best practice. In addition to employer engagement, best practice forums on ensuring compliance, specific aspect of delivery models used and a shared vacancy pilot have all been held with the aim of improving the service delivered. Some Supply Chain Partners commented that while they felt collaborative working is encouraged and facilitated by G4S, not all Supply Chain Partners are yet 'comfortable' with sharing their unique business model / approach.

Very clear communication channels are in place between G4S and its Supply Chain Partners. Prior to contract award, confidentiality agreements were signed outlining what the relationship would be post contract. This included a very clear breakdown of information including referral numbers, percentage market share, a breakdown of customer cohorts, terms of delivery and pricing, payment terms and targets. Post contract, daily, weekly and monthly reports are produced and circulated to the supply chain – giving all partners the same level of information about performance. These written reports are supported by regular face-to-face communications between Supply Chain Partners and their G4S Supply Chain Manager.

All the Supply Chain Partners involved in this assessment commented on the open, honest, transparent and direct communications and relationships they have with staff within G4S. Partners described how they felt that they could contact a range of people within G4S at anytime and would always receive a positive and professional response; for example being able to raise issues and frustrations regarding ISIS. G4S employees all discussed how honesty, openness and transparency in their relationships with their Supply Chain Partners were 'non-negotiable'.

2b) Developing Supply Chain Partners

The smaller / third sector Supply Chain Partners were especially complimentary about the levels of support they had and continue to receive from staff at G4S - enabling them to develop their delivery and organisational capacity and capability. Examples of support received ranged from one-to-one coaching type interventions, through to hands on support to help staff understand the referral and compliance process (thus increasing their chance of getting paid appropriately and on time). Examples were also shared by third sector Supply Chain Partners of them being encouraged to partner with larger, private Supply Chain Partners so that they could learn from a more 'commercially savvy' organisation.

Consultation events have been run with a number of charities within the supply chain helping them identify beneficial funding streams. For example, in partnership with a number of Supply Chain Partners, a consultation was run for a DWP Innovation Fund. In addition, all partners are informed of new contracting opportunities monthly through the opportunity trackers funded by G4S.

The provision offered by the 'knowledge bank' is an area of concern for some Supply Chain Partners as it is as yet under utilised and has created little additionality to service delivery. G4S are aware of this and are currently reviewing how this range of Supply Chain Partners can be better.

G4S do not prescribe minimum levels of learning and development for the staff of their supply chain staff but encourage organisations to develop a learning culture and have been proactive in designing and delivering courses such as selling techniques, managing case loads and peer interviewing. Other learning events around compliance, quality, IT and the management information system, data protection, health and safety etc., were all given as examples by the Supply Chain Partners as to development events promoted and delivered through G4S.

Supply Chain Managers were also cited as being proactive in offering coaching sessions on compliance etc. Supply Chain Partners without their own in-house learning and development expertise did comment that while G4S will listen and help with any learning and development needs, more could be done to co-ordinate, promote, deliver and evaluate the impact of learning and development across the supply chain. In particular it was felt more could be done to utilise the expertise within the 'knowledge bank'.

2c) Contracting and funding

The processes and procedures used by G4S to support procurement were described by the Supply Chain Partners as open, fair and transparent which respected their uniqueness while requiring them to demonstrate their proven track record and abilities to work across the customer groups. The personal approach taken by G4S i.e. taking time out to meet with interested parties ensured all gained very favourable first impressions of the organisation. (See 1a above)

It was made very clear that if they were to be successful and '*create diverse supply chains of high performing delivery partners*' for their contract delivery, G4S need to fund organisations appropriately and proportionally to their financial risk.

Consequently for the Work Programme two funding models were devised and publicised; one based on that used by DWP and a second for third sector organisations where a higher up-front attachment fee is paid to counter any potential cash-flow issues. The outcome fee for the G4S Family Programme is agreed with the individual Family Support Broker and in addition, G4S has made an additional Family Support Fund available through which an additional fee can be claimed to help the customer within a progress measure outcome. Supply Chain Partners confirmed that they understood and accepted the financial model used.

All Supply Chain Partners have either a full contract or service level agreement in place depending upon the level and type of delivery. All contracts were given to Supply Chain Partners a few weeks before they needed to be signed so that they could digest the information in plenty of time. Where requested face-to-face discussions took place to discuss aspects of the contract where Supply Chain Partners needed further clarification.

In establishing the market share allocation, extensive research was undertaken into the projected flows based on each Local Authority and Jobcentre Plus area. G4S staff then spent time analysing the capability of each potential partner in terms of their financial situation, their ability to assume risk, their staff numbers, their track record in supporting the customer groups and their ability to deliver high-quality services. Following this analysis and subsequent negotiations, market-share allocations were agreed and defined within all contractual arrangements made. Supply Chain Partners confirmed they fully understand how the market-share was allocated and were able to quote their percentage share.

Contract negotiations were acknowledged by Supply Chain Partners as being based around an ethos of openness, transparency and honesty, but with customer-value uppermost.

G4S spent time looking at the impact of different volume flows etc. with individual partners to ensure the final agreement reached was based on the minimum volumes needed to be financially viable, and their capability to deliver. Offer letters pre-contract award confirmed referral numbers, market share, terms of delivery and pricing etc and these figures transferred through into the final contracts / service level agreements exchanged post contract award.

While pre and post contract awards and payment structures remained consistent, changes have been made based on performance against contract. Some Supply Chain Partners explained how volumes had been reduced to enable them to focus on the quality and consistency of delivery, and others confirmed an increase in volumes being given to counterbalance the underperformance across the supply chain. In addition to payment structures being altered based on performance, immediately after the mobilisation of the Work Programme, Supply Chain Partners requested payment terms which were more lenient than those contracted. G4S substantially reduced the payment terms for the supply chain and released payments between 7 and 14 days until September 2011.

Supply Chain Partners fully understand how funds are transferred and what they need to do and provide to ensure that claims are approved and paid. Some examples were given of where payment terms have been flexed in order to support the cashflow of Supply Chain Partners. Self-billing is being used across the network with providers receiving a weekly performance and revenue opportunity report highlighting potential claims so that they can manage both their caseloads and their cashflow. Some Supply Chain Partners did express their disappointment at the time taken for some monies to be transferred which in some cases was quoted as being 90 days. Supply Chain Partners confirmed that they received ongoing support and guidance to ensure the self-billing process has every opportunity to work effectively and efficiently.

As part of the pre and post contracting process G4S presented details to the supply chain of what the management fee was and what they could expect to receive in return. However, across the supply chain there are mixed messages / a lack of clarity about what aspects of the 'knowledge bank' provision is funded by G4S through the management fee.

3 Conduct

3a) Demonstrating commercial and business integrity

During the pre-contracting discussions between interested parties and G4S, reference was made to the G4S core values (customer focus, expertise, performance, best people, integrity, teamwork and collaboration and care) and these remain at the heart of how the supply chain is governed. Partners confirmed that G4S are very ethical in their approach to business, and used words including integrity, openness and honesty when describing the foundation of the supply chain management relationship. Some Supply Chain Partners also acknowledged that a key aspect of the relationship with G4S was that they were being allowed, and in fact encouraged to remain 'unique' as per the agreed 'Black-Box' approach; and this is very much appreciated.

The strategy put in place by G4S regarding TUPE is that it contractually obliges all subcontractors to comply with all legal requirements including Regulation 13 of the TUPE regulations, and supports them to do this. Supply Chain Partners had mixed views about this approach – some felt it was a too 'black and white' stance as there were instances where some people had 'grey' positions under previous arrangements. Others accepted the position and took advantage of the HR and specialist legal advice made available to them through G4S.

Supply Chain Partners explained how they are able to interact with staff throughout the G4S Welfare to Work organisation. Supply Chain Managers work closely with their providers on many different levels including spending time with delivery staff, attending team meetings and working with the senior managers reviewing and analysing performance and delivery statistics. Feedback from the supply chain confirmed that they believe interactions between them and G4S are positive and supportive. However, some partners did discuss how, on occasion, the focus given by G4S to performance and compliance is more intense and challenging than they had initially anticipated.

The policies and procedures of the supply chain which support and maintain legislative and regulatory requirements were thoroughly checked and audited during 'ACE' and the risk assessments undertaken prior to contracting. Subsequently, compliance against these policies has been audited by G4S. Supply Chain Partners confirmed that updates on regulatory and legislative changes are received via the Weekly Communications pack email which is RAG rated so important updates can be actioned immediately. Supply Chain Managers will also confirm understanding of any updates or amendments during their Supply Chain Partner meetings.

3b) Quality Assurance and Compliance

To date, the approach taken to reviewing and monitoring the quality of service delivery across the supply chain has had an audit / compliance focus with the aim of reducing error rates and ensuring that staff within the supply chain understand the service levels required.

More recently a quality management framework (QMF) has been developed and approved by the Quality Review Group (QRG) which operates at a senior management level within G4S Welfare to Work. The group has an internal role to look at non-performance related issues such as policy and procedures and their implementation, the quality strategy and the customer journey, etc. The QMF developed by QRG defines the quality components, the continuous improvement cycle and a quality calendar detailing the quality assurance interventions over the next 12 months.

Some Supply Chain Partners confirmed that a G4S Supply Chain Manager had observed their staff in a variety of customer intervention situations and that feedback, both formally and informally had been given and in some instances guidelines given for improvement. Results of the more formal quality assurance audits have highlighted areas for development which some partners have found challenging; discussion has taken place with Supply Chain Partners at senior levels to endeavour to continuously improve the customer experience. Results of audits are shared at the supply chain meetings each month as well as individual discussions taking place with specific partners. Examples of improvements were given including the record keeping of some providers, a reduction in non-compliance rates and developments to Supply Chain Partners data protection procedures.

The documentation, brochures, website / webinar information provided by G4S prior to contract award which gave interested parties information, advice and guidance on their approach to delivering the Work Programme and the Families Programme, is still relevant and available today. All information, advice and guidance (IAG) given to Supply Chain Partners through for example the weekly communication log email is checked for accuracy prior to circulation. Within the G4S delivery model the 'knowledge bank' is available to offer Supply Chain Partners and their customers access to 'quality assured' IAG, and G4S audits cover the IAG provision given to customers by the individual Supply Chain Partner and their staff.

The ACE and due diligence process ensured that Supply Chain Partners had security plans in place and met the minimum standard required. Additional support was given to those within the supply chain who needed more guidance on how to ensure their plans were actioned and implemented.

All G4S management, staff and Supply Chain Partners have gone through Information Security Training as part of their induction to the WP and ESF Families Programme. Access to the management information system (DWP information) is only provided when a user has had security clearance (BPSS) and suitably authorised by their line manager. Implementation of the Dual Factor Authentication means that users can only access DWP information from the specific system which has the certificate installed for the user.

Supply Chain Partners confirmed that health and safety formed part of the ACE and due diligence process and that on-site checks are carried out on provider premises prior to them being approved as an acceptable delivery site. Health and safety is a set agenda item for monthly performance review meetings.

Safeguarding policies and procedure are included in the formal yearly audit of the Supply Chain Partners and are reviewed by the Supply Chain Manger during their monthly performance meetings. In order to support those Supply Chain Partners who did not have robust safeguarding processes in place, support and guidance has been given including help with documentat ion, policy development and implementat ion etc. G4S shares safeguarding resources with the supply chain through the Dashboard Resource Bank on the management informat ion system.

G4S requires their Supply Chain Partners to have an up-to-date environmental sustainability policy and plan. Submitted plans have been reviewed, feedback given and ideas for continuous improvement shared with the supply chain.

Supply chain meet ings and CPA wide best practice meet ings provide the opportunity for the supply chain to work collaboratively and identify excellent / good practice within the supply chain. G4S facilitates the best practice meet ings and will arrange for Supply Chain Partners who have been identified as doing something particularly well or innovatively to present and inform their supply chain colleagues of what they are doing. Topics have covered innovations in employment and diversity, informat ion advice and guidance, use of the knowledge bank offer, performance review and the attachment process. The monthly newsletter also contains ideas / best practice sound-bites etc.

3c) Honouring Commitments

Supply Chain Partners confirmed that contract negotiations were clear and open and that individual circumstances were acknowledged. They also confirmed that they were given every opportunity to understand and discuss the contract requirements and that contract and service level agreements put in place following the contract award fully reflect the pre contract negotiations. However, examples were given by Supply Chain Partners of where market share had been shifted / changed by G4S based on performance. They also highlighted that agreements as per contract had not come into fruition due to the lack of referrals / attachments. While they acknowledged the efforts some G4S Supply Chain Managers had gone to to increase referrals (spending time with Jobcentre Plus to go through all unattached customers to see what additional steps can be taken to attach them to members of the supply chain), the lack of flow was beginning to cause some partners concern re: their longer term business sustainability.

G4S has a robust dispute resolution process which is outlined in each subcontract they have. Supply Chain Partners are aware that process is in place and would feel comfortable using the process if needed. All commented that they could and would raise concerns / disputes with the Managing Director if required.

The Managing Director personally confirmed to the assessment team that G4S Welfare to Work will respect any decisions from the Merlin Mediat ion Service.

Partner organisations confirmed that expectations have been discussed, were agreed and are understood. The robust approach taken to communicating and engaging with interested organisations pre contract ensured expectat ions are clear.

Moving forward, the Supply Chain Partners would like to know more about the role and expectations of other parties – especially relating to the 'knowledge bank'.

3d) Performance

G4S encourages collaborative working and this is proactively driven by the organisation. Managers gave examples where collaboration has improved performance. Shared vacancies are a good example of where the Supply Chain Partners have collaborated to good effect. While accepting commercial confidentiality, there is a growing culture across the supply chain of an openness and willingness to share for the benefit of the customer.

A Performance Management Guide sets out the key elements and methods of how the weekly, monthly and quarterly performance reviews should take place. Supply Chain Managers undertake informal weekly reviews of performance with their Supply Chain Partners, as well as completing the more formal and documented monthly performance review. Every quarter, Supply Chain Partners give a presentation on their performance to their Supply Chain Manager and the Contract Director for that CPA. There are robust compliance checks in place based on the risk rating of each supply chain partner and statistics are used to judge improved performance. Supply Chain Partners confirmed that the performance review process looks at performance in its widest sense including innovation but that the preoccupation over the last 12 months has been with cementing base-line operations before thinking of innovation, diversification and expansion. The ethos and approach to performance review was confirmed by the supply chain as being open, focused, direct and transparent. All partners confirmed that they felt able to raise issues and concerns with the appropriate member of G4S (including the Managing Director) at any time.

G4S has a clearly defined set of minimum performance expectations which it has shared with its Supply Chain Partners. These are based on meeting or exceeding all minimum service measures, meeting or exceeding operational requirements and meeting or exceeding performance targets. Objectivity and performance were highlighted by G4S as being at the heart of their approach to managing the supply chain.

The management information IT system used across the supply chain remains a concern for both the Supply Chain Partners and G4S. It is the view of the majority of the Supply Chain Partners involved in this assessment that the MI system is a major weakness and, despite the time and resources allocated by both G4S and the supply chain to resolving the frustrations caused by the system, these problems have had a knock on effect on managing performance and are impairing Supply Chain Partners ability to perform effectively.

Making links across the supply chain, the contracts being delivered and the key stakeholders outside of the formal supply chain is seen as a value for money activity. For example working to promote strong links are in place between the WP and ESF delivery partners, the Local Authorities and community groups in the Manchester areas will ensure value for money across these two contracts. Value for money is outcome based as per the contract design for both ESF and WP contracts and is recognised in flow volumes.

Job brokers that are not performing or meeting targets will potentially have flows removed and they will then go to job brokers that are performing. Supply Chain Partners confirmed that value for money is discussed during performance meetings and added value looked for within their delivery model.

The IT system is designed to aid customer progression and enables Supply Chain Partner to document this progression. The Action Plan tab on the system shows what actions have been agreed, how the customer has performed against those agreed actions and any future actions agreed with SMART timescales in place. Each customer's individual Action Plan is reviewed at timescales appropriate to the individuals and the actions marked on their plans.

3e) Promoting Diversity and Equality

G4S Welfare to work has its own Equality and Diversity Policy that sets out the underpinning principles of the way G4S does business, aiming to continually promote diversity and equality throughout the organisation and their supply chains. When identifying potential Supply Chain Partners, G4S looked for a diverse range of organisations with policies and approaches to supporting diversity and equality which aligned to their own. Consequently appropriate policies, process and plans are in place across the supply chain.

Equality data is collected by the supply chain and input into the IT system and reviewed during the G4S audit process. Supply Chain Partners are being supported to improve the accuracy of the data entered into the IT system, as this will be used to review the Equality and Diversity Impact Measures. Supply Chain Partners confirmed that they understand that they need to be managing equality and promoting diversity in all their activities to ensure they are providing a service to meet the needs of the different customer groups and described recent discussions around the monitoring of the benefits and drawbacks of group activities, the impact of English as a second language etc.

Currently, mandatory data is collected by Supply Chain Partners (age, gender, disability and ethnicity) and is shared with G4S using the IT system. The data collected is starting to be analysed and used to some effect, for example; to ensure that customers eligible for the ESF support for Families Programme, highlighting customers who might be eligible for additional support and those to whom the wage incentive scheme might apply. Developments to the IT system may increase the abilities of the supply to link appropriate data to the wider policy and objectives of the commissioner.

4 Review

4a) Supply chain review

Feedback from key stakeholders DWP, Jobcentre Plus, Supply Chain Partners, employers, customers, etc is all gathered through a mix of formal and informal mechanisms. The use of questionnaires, contract review, complaints received, customer focus groups, attending Jobcentre Plus communications meetings were all given as examples. The information gained from stakeholders has resulted in a number of changes to the supply chain design and delivery improvements. For example, Supply Chain Partners and G4S staff talked about developments to the induction process, re-structuring ESA interviews, developing more effective / targeted marketing material, improvements to the welcome meeting, setting up a dedicated IT help-desk, sharing of premises and the development of a 'walk in facility'.

G4S implemented a self-assessment process within the first six months of contract award. Some Supply Chain Partners confirmed that they had produced a self-assessment report for their own organisation as well as being asked to contribute to the self-assessment produced for G4S. An anonymous survey was sent to all the Supply Chain Partners so that feedback and input could be given openly.

The wider objectives of the commissioner have been shared with the supply chain by G4S, and therefore they were able to give examples of how what they do is having a positive impact on them. For example they described how by working and engaging with members of their local communities they were engaging people and organisations in the 'Big Society' agenda. Reference was also made to the efforts taken by G4S to ensure they were aware of the Wages Incentive Scheme and Apprenticeships and how to promote them to their employer base. Supply Chain Partners were also very keen to stress that they work with each individual customer in a 'holistic' way which can and often does mean supporting their health, wellbeing, educational and financial circumstances.

The supply chain is kept informed on wider policy and strategy information of the commissioner through regular communication processes – including the weekly RAG rated communication log email brief. In addition each CPA has a newsletter keeping the supply chain up to date on information specifically for that area. Part of the philosophy behind the selection process for the supply chain was to engage with organisations that had or could become part of the fabric of an area, build links with community groups, support the local area and infrastructure and could leave a legacy. In each CPA G4S has representation at a number of key stakeholder forums / meetings including Local Enterprise Partnerships.

The original desire of G4S to '*create diverse supply chains of high performing delivery partners that meet the requirements of G4S and the commissioner*' is still relevant and there is an ongoing review of the needs of the different stakeholders and the supply chain's ability to meet their needs. For example, the robust approach G4S takes to performance management ensures that where Supply Chain Partners who do not demonstrate acceptable levels of performance are proactively managed. This has resulted in changes to the initial supply chain where a partner was, after receiving 6 months of ongoing extensive support managed out of the supply chain and an alternative provider introduced.

G4S and their Supply Chain Partners do believe that through the 'Black-Box' approach taken to the design of the supply chain and therefore the variety and mix of organisational approaches taken to delivery, this has a positive impact on external stakeholders, encouraging customer well being, improving environmental sustainability etc. Examples of actions taken by G4S such as undertaking a base-line environmental sustainability audits with their Supply Chain Partners, contracting with a community based organisations that has a one-stop-shop location of customers including access to a crèche, a health centre as well as Work Programme activities were all shared; but as yet there is no central measurement in place.