



merlin

promoting supply chain excellence

Assessment Report
For

**NCG
(INTRAINING)**

By Andy Richardson

On behalf of emqc Ltd

Assessment Dates: 25/06/12 – 28/06/12

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About the Organisation

Newcastle College Group (NCG) is one of the largest education, training and employability organisations in the UK and comprises four divisions – Newcastle College, West Lancashire College, Rathbone and Intraining Ltd. Intraining is a wholly owned subsidiary of NCG and is a national training and employment skills provider.

Intraining delivers a wide range of skills and employability programmes, operating from a network of over 20 regional offices with its Head Office located in Sheffield. The operating structures of Intraining function through two key areas – Workforce Development and Employment Related Services.

Intraining is a Prime contractor for the Work Programme in Birmingham, Solihull and the Black Country and in North East Yorkshire and Humberside and is the only not-for-profit Prime contractor in these regions.

Intraining provides employability interventions through direct delivery from its own operations and via a network of subcontractors and specialist providers on a roughly 50:50 split.

Since the launch of Work Programme Intraining has received more than 6,000 referrals from the Department for Work and Pensions and engaged more than 5,000 customers across the country.

Assessment Methodology

This assessment forms part of the first phase of the Merlin assessments to be carried out. The scope of the assessment was restricted to Intraining's Work Programme contract within CPAs 14 and 18. The team comprised of Andy Richardson (Lead Assessor) and two team assessors: Julia Stokes and Carole Fox.

At an initial planning meeting between the Lead Assessor and senior representatives of Intraining, including the person acting as Coordinator for this Merlin assessment, a sample of Supply Chain Partners (SCPs) were identified that suitably reflected the make-up of Intraining's supply chain. From this sample, the Coordinator created schedules for each of the assessors, modified marginally over subsequent weeks to accommodate the availability of individuals.

During the assessment, assessors reviewed a diverse and substantial range of evidence, including written documentation and electronic systems. This was supported by face-to-face and phone interviews with representatives of Intraining and both Tier 2 and Tier 3 providers within the two CPAs.

Each assessor completed the schedule of interviews over the first three days of this assessment, convening on day four to share findings and agree scorings for each criterion within the Merlin standard. These detailed findings were provided to Intraining's Merlin Coordinators, who also represented the organisation's senior leadership team, at a feedback session on the afternoon of the fourth day. This feedback included the final outcome of the

assessment, as well as providing an overview of the key areas of strength and areas for consideration when it comes to continuous improvement moving forward.

Assessment Outcome

Overall %	73%
Overall Outcome	Good
Supply Chain Design	Excellent
Commitment	Good
Conduct	Good
Review	Satisfactory

Strengths

- ▲ Supply chain design has been shown to be of a high standard throughout all criteria of Principle 1. The scope and range of Intraining and its links with Newcastle College Group (NCG) has allowed for some very effective networks to be established with local councils, employer networks, voluntary and third sector organisations and major pre-existing providers, enabling a diversity and depth to its provision. It will obviously serve Intraining well to maintain such alliances moving forward as these will play a major part in future stakeholder analysis and supply chain review. (1a.1 & 4a.1)
- ▲ These effective relationships allowed Intraining to undertake some detailed research into the needs and locations of the primary customer groups, through consultation with a wide range of stakeholders, including public and private sectors, sector-based work academies and employment skills summits, together with analysis of data provided by a number of sources, regarding the nature and scope of provision already in place. This allowed for the use of wider networks, such as consortia of third sector organisations and pre-existing specialists, for example in the areas of social housing, drug/alcohol abuse, personal finance and self-employment, etc. (1a.3)
- ▲ Good up-front communications, through presentations, group discussions and one-to-one dialogue, enabled prospective Supply Chain Partners (SCPs) to see exactly what was on offer through the contract 'in an open and honest way', as several of the SCPs commented. This included helping them to understand the business ethics, relationships and reporting lines throughout the supply chain. (2a.1 & 2a.4)
- ▲ With strong links to NCG, the procurement processes themselves are of the highest standards, meeting as they do, EU requirements. The selection processes include scoring and weighting of criteria and clear rationale to substantiate decisions made, with the same being communicated effectively to applicants, both successful and unsuccessful. The use of a well-managed framework type approach supports the procurement process in a highly effective manner. This Dynamic Purchasing System (DPS) in particular gained some good feedback from SCPs when questioned within this assessment. (2c.1)

- ▲ During this assessment the conduct of staff throughout Intraining was found to be of a high standard at all levels. This had a very positive impact on the TUPE process and those interviewed in this respect showed a good level of satisfaction, both with the process and with the service they received from Intraining staff throughout. Up front communications by way of presentations, group and individual discussions, all served to answer questions effectively and allay some of the concerns surrounding the TUPE process. (3a.2)
- ▲ The processes and practices adopted related to quality assurance and compliance were found to be effective throughout the Tier 2 provision, with some good examples of changes introduced as a result of the findings. These included the provision of certain training modules for SCP staff, changes to documentation and changes to systems, such as the Quality Improvement Plans. (3b.1 and 3b.2)
- ▲ The diverse nature of Intraining's supply chain has ensured a wide range of specialist information, advice and guidance is available to customers. By using some well established organisations as providers of IAG services, e.g. local Councils, drug rehabilitation organisations and homelessness associations, Intraining has assured a high level of service effectiveness. Intraining also looks to appoint Tier 2 organisations that have achieved the **matrix** accreditation as an indicator of quality IAG provision. (3b.3)
- ▲ In seeking to identify and share good/excellent practice, Intraining has established a number of mechanisms, principal of which are the monthly and quarterly CPA meetings held with SCPs, in which partners are asked to identify any effective practices they have developed or encountered and share them with other members of the network. Examples of such good practice identified and shared in this way include the customer tracking systems and employer engagement strategies. In another example, SCP staff have requested specific training modules, leading to the expansion of the provision available through the e-learning portal. (3b.8)
- ▲ Several good examples exist of collaborative working across the supply chain. These include the development of checklists and aide memoirs, the sharing of vacancies to maximise take up and sustainability and various collaborative approaches to employer engagement, both within and across CPAs. (3d.1)
- ▲ The relationships that Intraining enjoy throughout the wider network, enable the Organisation to reach out to a diverse range of stakeholders, such as the LEPS, Local Authorities, 3rd Sector organisations and other funding providers, for example the Birmingham City Project and the Black Country Flexible Support Fund. Feedback from such stakeholders has been sought and used to adjust provision to good effect, for example, the changes made to the drug support provision in order to make better use of funds and the introduction of new SCPs to bolster provision in specific areas, such as the new ex-offenders client group. (4a.1)

Areas for Improvement

- ▲ Additional opportunities could be investigated that allow for greater networking and collaboration of supply chain partners at tiers 3 and 4. This will help to maximise leverage within the supply chain when making bids and help SCPs to strengthen their own offerings, by pulling in other expertise and sharing good practices. (2a.3)
- ▲ Clear opportunities exist to support SCPs beyond systems and processes, e.g. to investigate the implications of a capacity building strategy, the possible diversification into linked services and the whole approach to organisational development etc. This will help to build sustainability across the supply chain and help SCPs weather the storm of an ever-changing economic landscape, thus ameliorating the potential for a failed relationship. There may also be opportunity to reinforce the requirements for end-to-end Tier 2 providers to develop Tier 3 SCPs, where they have pre-existing relationships, or where a service level agreement is in place. (2b.1)
- ▲ There was a feeling amongst a small number of SCPs that the opportunity to negotiate around payment structures and volumes/market share had been denied them, although there is evidence to the contrary, e.g. their attendance at pre-contract presentations and from discussions with their Intraining Supply Chain Manager (SCM). Accurate or not, it may still be worth revisiting this aspect with SCPs to ensure that their requirements are being met, especially with the smaller SCPs. This will help to reinforce the relationships and position Intraining as an organisation that listens and takes note. (2c.6)
- ▲ With positive comments from SCPs regarding their relationships with Intraining staff, it is clear that such staff are living the values required. Despite forming part of the pre-contract presentations, opportunities could still be sought to reinforce and refresh these values across the supply chain on a regular basis, especially as they have recently been reviewed and revised in conjunction with SCPs themselves. This would not only strengthen the values throughout the supply chain, but also improve ownership still further. (3a.1)
- ▲ This assessment showed that there are some effective practices in place to monitor the quality of service and customer experience. Tier 3 SCPs that work to other end-to-end Tier 2s are now coming into the frame for QA/audit inspections and Intraining should look to ensure that **all** SCPs are monitored for quality and consistency and assure themselves that such arrangements are in place, possibly by dip-sampling the Tier 3s. This will provide for a robust and consistent level of service, regardless of where the customer is in their journey and can serve to identify 'pinch-points' and staff development needs as appropriate. (3b.1)
- ▲ Environmental sustainability could become more embedded and all tiers of the supply chain helped to understand the implications and required actions in line with the policies in place. The benefits here are that this will provide for improved consistency and enable

Intraining to define measurable objectives for the supply chain related to basic sustainability concepts, thereby ensuring a demonstrable and positive impact moving forward. It should also support them in showing value for money. (3b.7 & 4a.6)

- ▲ What constitutes 'excellent practice' could be even more clearly defined and communicated, shared and monitored for impact. Going beyond the 'RAG' rating system by having a clear understanding of just what constitutes 'acceptable', 'good' and 'excellent' practice will enable SCPs to have a benchmark for their own performance, thereby generating further examples and improving standards overall throughout the supply chain. (3b.8)
- ▲ Continuing this theme, it may also be of benefit to look at defining the term 'innovation' and what it might look like, for example at each stage of the customer journey. This will help to clarify, identify and share good practice and allow for continuous improvement going forward. (3d.2)
- ▲ Benefits could be gained from defining what 'value for money' is in a more clear and concise fashion. It may prove useful to look at what represents value for each stage of the customer journey and look at how much each progression is worth in monetary terms within the distance travelled. This will help to inform judgements at the procurement stage and improve consistency and parity across the supply chain. (3d.5)
- ▲ The understanding of what constitutes distance travelled beyond the customer journey and final job outcome could also be developed throughout the supply chain. The Empro system provides for a measure of progress against specific milestones defined for each customer, following benchmarking at the initial point of engagement. Making this a mandated process and revisiting periodically would provide for greater consistency and robustness across the supply chain, creating a much-improved understanding of what distance travelled actually is and how it is measured. (3d.6)
- ▲ Having been collected and reported, Equal Opportunities data now needs to be analysed in a robust fashion and used within the supply chain review process. By doing so, Intraining and its SCPs will be able to identify shortfalls and adjustments required within the provision offered in order to best meet the needs of the diverse customer groups it serves. (3e.3)
- ▲ Further evidence, beyond the anecdotal, needs to be gathered regarding the positive and measurable impact that the activities of the supply chain are having on the wider social objectives of the Commissioner, including the effects on external stakeholders, customer wellbeing and environmental sustainability. Whilst anecdotal evidence presents a sense that progress is being made, it falls short in terms of demonstrating a supply chain wide impact or contribution. More comprehensive and robust measures will provide valuable evidence of just how Intraining is contributing to the specific wider objectives of the commissioner. (4a.3 & 4a.6)

Areas Requiring Further Development

As Intraining have met the Standard, as described in the Section 'Assessment Outcome', there have been no areas for development identified as requiring immediate action in order to gain accreditation. However Intraining should consider the above Section 'Areas for Improvement', in order to continue to seek excellence in all their supply chain management activities.

Assessment Findings

1 Supply Chain Design

1a) Supply chain design

The scope and variety of the supply chain was found to be of a high standard with a good representation of public, private and third sector organisations forming the network used to deliver services. This use of a diverse range of delivery partners, including some consortia, enables the commissioner's objectives to be addressed effectively, for example in the areas of homelessness, child poverty, health and well-being, environmental sustainability and financial hardship.

The organisations within the supply chain are able to deliver services to a wide range of customer groups with varying needs. Supply Chain Partners (SCPs) were initially, and continue to be, selected based on geographical coverage, experience, track record and capacity, as well as for their specialisms and sectors. Element 2c carries more detail of the selection process itself.

There is clear evidence that Intraining undertook research and consultation regarding local demographics and travel to work patterns, as well as employer and customer needs. In addition to an analysis of available labour market intelligence, this research consisted of discussions with various Local Authorities, Chambers of Commerce, existing providers, Job Centre Plus, Local Enterprise Partnerships and other key players in the areas covered by the CPAs specified above.

In some cases, the Tier 2 SCPs that were selected by Intraining already had established relationships with local specialist providers who then became the Tier 3 suppliers.

Over the course of the contract thus far, there is evidence of an evolving supply chain and examples were provided of new SCPs being brought in to the supply chain to reinforce and expand the range of provision on offer. The recent introduction of a new Client Group into the mix has seen Intraining run a procurement exercise to appoint new SCPs that can address the specific needs of these customers. There may be further opportunities for Intraining to review its relationships with particular SCPs operating on the fringe of mainstream provision, for example to further embed the self-employment route, review the arrangements for sectors represented by partners departing the present supply chain and engage more with neighbourhood groups.

Intraining is able to identify a number of organisations outside its own supply chain that are used to provide further support of a more specialist nature and this was confirmed in some of the discussions with SCPs. Examples here include: Citizen's Advice Bureau, Prince's Trust and various drug and alcohol advice centres and financial advice organisations throughout the CPAs.

2 Commitment

2a) Collaboration, cooperation and communication

The procurement processes for SCPs within Intraining were found to be a key strength. Both successful and unsuccessful SCPs commented that they found the communications throughout the procurement process to be of high order and that there are strong links to the NCG, EU approved processes. These communication processes included a number of presentations for all interested parties, together with emails, face-to-face discussions with existing networks and individual organisations. Contract/procurement information was also shared on Intraining's website, supported by senior and operational level guidance throughout the process. A couple of SCPs indicated that they felt wholly driven by the NCG process however and benefits may be had from involving SCPs more in the design stage of development, especially at Tier 3.

Following procurement, communications continue to be good, with SCPs citing discussions, emails and networking events as effective at all levels. The CPA based supply chain meetings in particular received very positive comments, with SCPs commenting that they found them to be open, honest and effective at challenging processes and identifying good practice currently in effect.

Whilst there were several examples provided of Intraining working with a number of Tier 2s in a collaborative manner at a senior level, for example in the design of the supply chain and its operational practices and processes, there were fewer examples evident of Tier 3s and 4s working together for their mutual benefit and this may well be an area for consideration by the senior team moving forward.

All those interviewed within this assessment were clear as to the business relationships underpinning supply chain arrangements now in place and there was no ambiguity evident. In particular, the use of Service Level Agreements (SLAs) to define the relationship between the direct delivery side of the operation and Tier 3 providers is to be commended and could be usefully considered as a model for those Tier 3 providers working to the other end-to-end Tier 2 providers.

With very effective working relationships in place at both senior and operational levels, the cascade of information was cited by many to be good. In addition to face-to-face discussions, for example at the Supply Chain Manager (SCM) monthly reviews, Intraining has introduced a number of guidance and support materials, stored on the Supply Chain Portal to help keep SCPs up to date with a wide range of developments and emerging issues. Alongside this run the weekly tele-KITs (Keep In Touch), providing system updates, best

practice tips and associated guidance to front-line operational users and the monthly newsletters.

All SCPs questioned commented that they found the communications to be open and honest, with some commenting on an improvement on their initial experiences. Evidence of how Intraining and Tier 2 providers check the understanding by the Tier 3s and 4s was inconsistent however at this stage and may be worthy of further investigation and development by the senior team.

2b) Developing supply chain partners

With existing providers coming into the supply chain to deliver this Work Programme contract, many are already well established and at an advanced state of organisational development, requiring little in the way of further development by Intraining. For others at Tier 2, encouragement and support has been provided to a number of SCPs who have received advice and guidance on business development, developing systems and processes and promoting themselves within the marketplace (for example at the CPA meetings), enabling them to gain new business, or simply remain viable. This remains an area where further development by Intraining could bring benefits in identifying potential SCP failure earlier than that indicated by the financial 'Red Flag', as often, this is too late to effect a remedy.

There are also clear opportunities now to drive down support to the lower tiers in this regard.

There is some evidence to show that additional funding streams have been brought to the attention of SCPs, e.g. in the cross selling of partners' funded services through the network meetings and events. The links to NCG offer SCPs a unique chance to use funds not available to other Primes, for example the Adult Learner Responsiveness funding, available only to colleges. Other examples of additional funding available to SCPs included Skills for Support, apprenticeships and Youth Contracts. There were a few examples provided to suggest that not all SCPs are learning of the additional funds available and additionally that local funding may be on offer, though the availability of such funding is not widely known. This then is an area worthy of further exploration.

In regards to developing the staff within the SCPs, there are many examples of training being offered, in the main associated with systems and processes, though training offered has also included safeguarding, environmental sustainability and equality and diversity. The training offered thus far has been without cost to the SCPs and has been delivered either by Intraining's own training staff, drawing in specialists as required, or through the e-learning portal. 'Happy Sheets' provide immediate feedback on satisfaction levels of SCP staff and impact is reviewed at both individual and organisational levels in discussions with SCMs and QA staff at Intraining during the weekly calls and monthly review meetings.

With an extensive and still growing number of SCPs, opportunities exist to expand the range of staff development available to supply chain personnel.

2c) Contracting and funding

Clearly a strength of Intraining's, the contracting processes were found to be fair and equitable by all those interviewed within this assessment. The selection of SCPs follows well tried and tested procurement methodologies, following as it does the rigours of the NCG system and, as identified above, communications are good throughout the process.

Intraining operates a framework type approach to contracting across all its service offerings and has developed its own Dynamic Purchasing System (DPS). In this approach, potential suppliers are required to complete basic details about their own organisation as a one off. Once accepted onto the DPS, suppliers then complete a more bid specific application form. Those interviewed indicated that they had found the DPS Application Form to be accessible (through Intraining's web site), easily understood and straightforward to complete. They also commented that they liked the framework style approach as it simplified applications and avoided a degree of repetition for organisations submitting multiple bids.

Submitted Application Forms were considered by a senior team of Directors and managers, and scored both independently and collectively. In adopting good practice, these scores were also weighted in order to create a reasoned balance between the various selection criteria. For those selected to move to Stage 2, successful end-to-end applicants were put through a standard due-diligence process that included: financial stability, technical competence and capacity to deliver. SCPs commented favourably on the fact that the scoring and weightings were provided up front and in advance of any submissions being made and that the funding arrangements were clear from the start and were obviously designed to capitalise on the not-for-profit status of Intraining.

With a small number of Tier 2 SCPs now withdrawing from the supply chain, Intraining may find it of value to look at providing several options/models for funding when negotiating with SCPs, rather than reacting to requests further on down the line, when things have perhaps become a little more critical.

SCPs confirmed that Intraining has devised and distributed effective and robust contract and guidance documents that clearly define the obligations of both Intraining and its SCPs. A couple of SCPs suggested that, whilst comprehensive, a simplified or summary version of the contract could be of some mutual benefit.

Market share has been defined and agreed based on geographic areas, sectors and specialisms and agreed volume capacity. As a result of the presentations and up front discussions in advance of contracts being issued, in which the delivery model was outlined, SCPs are generally aware of how market share was allocated, though a couple of requests by Tier 2 SCPs for further detail remain unmet. This awareness is reinforced through the monthly performance tables which are published and accessible to all directly contracting supply chain partners.

There is also sufficient evidence to show that some proactive negotiation took place regarding volumes and expectations, although this could be explored further to good effect.

Funding arrangements follow DWP's payment by results model and, whilst generally deemed satisfactory, a number of Tier 2 SCPs indicated that alternative payment methods might help them to manage their cash flow more effectively and that there could be a more transparent approach to 'negotiation'. To date there have been a small number of variations to contract regarding market share since agreements were initially signed. There were a couple of examples where referrals had been deferred in agreement with the SCPs concerned, in order to allow for operational issues to be resolved; these had been well received by the SCPs.

The transfer of funds throughout the supply chain is working effectively with only a couple of examples identified within this assessment of inaccurate, or late payments being made, due in the main to difficulties with the Maytas system. A new version of Maytas is shortly to be introduced, with an expectation that these difficulties will be a thing of the past.

The initial presentations and discussions around procurement have done an effective job and all Tier 2 providers are aware of the level of management fee and its purpose in general terms, citing admin charges, events, IT and systems support, communications and SCM support generally. A couple of SCPs indicated only a limited understanding of the purpose of the management fee which should be addressed and there may also be benefits from looking at a sliding scale of fees to accommodate the growing range of services available. This would help to match need to price in a more transparent fashion, contributing to the perceived value for money of the fee and enabling smaller SCPs to manage their finances in an appropriate way.

3 Conduct

3a) Demonstrating commercial and business integrity

The working relationships between Intraining and its SCPs are clearly at a high level. There are particularly good relationships with the SCMs and feedback from SCPs suggests that these relationships are fundamental to the effective working of the supply chain. The core principles and operating philosophy of Intraining were presented to the supply chain during the pre-contract presentations and discussions and have clearly become embedded within daily working practice throughout Intraining. Initially driven by NCG's own operating principles, Intraining have recently consulted with its partners, resulting in a revised version of the ethics and values that drive actions and behaviours throughout the supply chain.

In describing these business principles, SCPs included such aspects as: openness and transparency, working in the best interests of the customer at all times, diligence in operating the contract and a commitment to continuous improvement.

Moving forward there is potential for Intraining to engage further with the Tier 3 SCPs in order to further establish and develop relationships across the whole supply chain.

With significant experience under their belt and the support of high level professionals within NCG, Intraining has demonstrated a good understanding of the TUPE processes and requirements and, barring one or two minor incidents, the transfer of staff between organisations was effectively managed.

Communications were good throughout the process, consisting of presentations to 'at-risk' groups combined with more specific one-to-one dialogue and effective job matching and those staff interviewed indicated that they felt supported at all stages. In some cases, Intraining acted in a conciliation role to gain agreement from other Primes involved in the TUPE situation to the obvious benefit of staff concerned and in one case elected to absorb 50% of the liabilities, despite this being disproportionate to their actual position. One SCP did comment that they had had experience of another Prime in which they (the Prime) absorbed 100% of the liability and this may be worthy of consideration at the next juncture.

Changes in legislation and statutory requirements are notified effectively through electronic processes including the Portal, newsletter and DPS and these are reinforced within the monthly performance reviews and discussions with Intraining's SCMs and during QA and audit activities. There remains a need to check understanding of messages communicated in this way however, as a couple of SCPs commented that they are "simply left to interpret things in our own way, if they're not considered a major change". One suggestion coming from the supply chain is a summary sheet for significant legislative and contractual changes.

3b) Quality Assurance and Compliance

Quality Assurance processes and practices are good at the Tier 2, end-to-end provider level and Intraining's own direct delivery provision, the latter including Tier 3 SCPs, all driven by a Quality and Compliance Framework. Survey Monkey has been used to gain feedback from customers/end-users, reinforced by verbal/anecdotal feedback directly following service delivery.

From quarterly QA Inspections, a Quality Improvement Plan (QIP) is drawn up and agreed and this is revisited at each of the SCM reviews undertaken with the SCPs monthly. All results of QA activities and feedback are channeled through Intraining's QA central function in the first instance, in order to identify trends and areas for development.

A new audit team has been introduced to support the work of the Quality Team and is presently approximately halfway through an audit of all Tier 2 providers. The priority therefore, is to complete this audit of Tier 2s and move on to the Tier 3s in order to ensure quality at the point of delivery across the whole supply chain.

It is clear that there are effective processes in place to utilise the findings of the QA processes to inform and improve service delivery and there have been a couple of changes to service delivery arising from QA Inspections to date, primarily around varying contract levels, or suggesting new approaches and supporting documents. The introduction of SMART target training for SCPs also came from such inspections. SCPs commented that they find these inspections to be well managed, effectively conducted and valuable in identifying areas for development.

With well established supply chain partners, many of whom having a long history in the field of Information, Advice and Guidance, Intraining is able to demonstrate that access to high quality provision is made available and promoted to customers at the point of delivery.

All customer facing staff in Intraining's own direct delivery offices are trained in the provision of quality IAG and all Tier 2 providers are required to be Matrix accredited.

Through the various communication channels, networking approaches and one-to-one dialogue, all SCPs are aware of the IAG available in their geographic areas and feedback from end-users as part of the service delivery process is reviewed in order to gain insight into customer satisfaction levels. With Tier 3 providers offering a fair degree of the specialist support available, it is strongly recommended that the senior team consider how quality IAG can be more robustly and comprehensively assured at this level.

As part of 'on-boarding' new SCPs, Intraining delivered a series of data security presentations to all SCPs. The Intraining data security team also offered guidance as to the requirements of the security standard in the context of each provider and each SCP was required to produce a spreadsheet demonstrating compliance, from which an action plan was agreed where any shortfall was identified. In many cases, this required SCPs to invest heavily in new equipment in order to meet the exacting standards set and Intraining provided secure laptops to all providers where existing standards fell short. These laptops have now been replaced by secure connections to a virtual desktop environment.

Intraining monitors ongoing compliance with the required standards through a programme of audits to all Tier 2 providers. It also requires Tier 2 SCPs to undertake similar actions with their own Tier 3 networks and this forms part of the Tier 2 audit. Intraining actively encourages SCPs to adopt best practice by achieving national standards and the requirements adopted by Intraining are themselves based on the requirements of BS27001. In a couple of cases, SCPs reported that it had "taken months to get a new advisor on to the system" and this may be worthy of further investigation.

The processes for data security within Tier 3 SCPs are less robust than those at Tier 2 and Intraining recognises that processes for audit have yet to become embedded within the Tier 3 SCPs who work to end-to-end Tier 2 providers.

Health and Safety policies are initially assessed as part of the procurement process and reviewed as part of the monthly performance discussions between the Tier 2 SCPs and their SCM and again by the QA team in their regular inspections. In the event of any shortfall, or corrective action being required, an action plan is drawn up by the SCP and agreed with their SCM, supported by Intraining's specialist H&S advisors.

Where Tier 2s have agreements with their own Tier 3 providers, the Intraining/Tier 2 contract requires that the Tier 2 provider initially checks and confirms H&S meets requirements. For Tier 3 SCPs, the ongoing monitoring of health and safety takes place through the Tier 2 end-to-end providers and by the direct delivery offices of Intraining.

Discussions with the SCPs in this assessment would indicate there has been specific training made available to SCPs on H&S and that guidance is available through the SCMs and specialist team as required and requested.

A similar situation exists for safeguarding, with initial checks on policies in place through the procurement and on-boarding processes and ongoing monitoring of SCPs for effective practices during the reviews and inspections by Intraining staff. A Group Designated Safeguarding Officer (DSO) is in place at Intraining who effectively acts as the safeguarding lead for all Intraining enterprises and each direct delivery office has its own Champion. Each Tier 2 is also required to have its own DSO and free training is provided through the e-learning portal to all SCPs.

Monthly management information returns capture related data, although there have been no reported, or identified incidents since contract start. As with H&S, there remains a need to continue the work to drill down to the SCPs at levels 3 & 4.

There are policies in place throughout the supply chain related to Environmental Sustainability (ES) and this forms part of the selection criteria for all supply chain applicants and is an integral part of the structured reviews, audits and inspections undertaken by Intraining. Intraining has also developed and introduced a number of focused initiatives, including an 'eco-campus', the introduction of fair trade weeks and the purchase and supply of bikes to customers willing to cycle to work. Changes made to the archiving system have also, by design, led to a reduction in the carbon footprint of those providing the archive service.

Whilst SCPs are required to submit data that includes ES, there are currently no targets set by Intraining for SCPs specifically related to ES issues, beyond those that the SCP organisations may have in place of their own volition. The collation and analysis of this data is also in its infancy at this time, although this forms part of the plans for Intraining moving forward over the next few months.

Whilst there are examples of 'excellent practice' being demonstrated, e.g. the Empro process, employer engagement strategies and the focused ES initiatives mentioned above, Intraining at this time has not set out to define what the term actually means and consequently has not communicated with the supply chain in this respect. This leaves supply chain partners identifying what they believe to be good practice and sharing the same through the various formal and informal networking opportunities, such as the partner CPA meetings. Page 6 of this report carries some recommendations for consideration by the senior team.

3c) Honouring Commitments

Intraining has managed SCP expectations well with effective communication throughout the procurement phase and during live running. Expectations have been clearly defined from the outset and communicated in both written format and verbally through discussions. Within this assessment, SCPs confirmed their understanding of these expectations and that post-contract arrangements generally reflect pre-contract agreements, though in a couple of cases the volume of referrals indicated pre-contract have not been forthcoming. There were clear examples provided of Tier 2 SCPs receiving variations to contract, thus putting agreed changes on a firm legal footing.

No formal complaints were raised/identified by SCPs when interviewed, though when asked, SCPs were generally aware of the dispute resolution processes and how to access it on the web portal and through their SCM should the need arise. The lack of formal complaints is due largely to the positive relationships existing between Intraining and its supply chain partners, with any concerns being addressed as they occur by the SCMs, drawing in senior Intraining staff as appropriate. Again, all the SCPs interviewed indicated a good level of satisfaction with regards to concerns being quickly addressed and in a positive manner, though it may benefit Intraining to remind people of the formal process and to drive this level of understanding down to Tier 3 & 4 providers.

Intraining senior staff also indicated that it would abide by any decision made by the Merlin Mediation Service (MMS), though this service was relatively unknown to the Tier 3 specialists, due in the main to the fact that it has not been required to this point in time by any SCP. The only time the MMS has been consulted with was in response to an issue with a customer and documentary evidence was provided to demonstrate Intraining's full compliance with the findings.

As identified earlier in this report, expectations regarding processes, practices and standards formed part of the pre-contract presentations to potential SCPs and these have been built into the contracts and service guidelines, including the Quality and Compliance Framework, all issued to SCPs at contract launch. These expectations continue to drive the performance and quality reviews and are a key feature of the monthly and quarterly CPA meetings.

3d) Performance

It is clear that the supply chain has been encouraged to work collaboratively, e.g. in the design of systems and processes pertaining to the supply chain. Within the supply chain itself are several examples of partners being consortia in their own right, for example based on tackling homelessness and drug/alcohol abuse, etc. and this consortium based approach formed part of the rationale for their introduction into the supply chain initially.

The weekly tele-KITs, CPA specific and cross-CPA meetings also evidence Intraining's approach to working in partnership and collaboration with its SCPs. These activities provide for SCPs to review and discuss developments and requirements across the network, though in the main this tends to be end-to-end providers, rather than the Tier 3s and 4s concerned with the point of delivery and this may be worth some consideration in the future, for example, by working more closely with neighbourhood groups.

Intraining has demonstrated effective performance management processes and practices, primarily through the monthly performance reviews with Intraining's SCMs and quality team staff. Opportunities exist for SCPs to raise issues and discuss concerns at these meetings and these are shared across the operational teams within Intraining in order to resolve them effectively. Lessons learned are also noted and shared across the network through CPA meetings, weekly emails and ongoing discussions; though at this time there is no central log of such lessons learned.

Any under-performance identified within an SCP results in an improvement plan being drawn up and agreed between the SCP and their SCM and this drives any subsequent reviews,

audits and inspections until such time as the shortfall is addressed. An example was provided of an SCP consistently failing to deliver targets and then working alongside their SCM to identify the causes of the poor performance and introducing measures to remedy. In another case, this involved Intraining's own direct delivery services taking on board some additional provision where a particular SCP was struggling to meet demand.

Through good communication and effective monitoring and reporting, supply chain partners confirmed that they are very clear as to their performance expectations and that the MI system provides reasonable record of such performance, though Maytas has not been without its problems. The league table is produced monthly to allow all SCPs at Tier 2 to see their performance as compared to others. Several SCPs commented that they found the level of detail shared to be valuable in managing their own performance, though again there were a couple of reports of SCPs having difficulty accessing Blackboard.

Intraining has defined Value For Money as simply being 'to deliver the targets for the money paid'. The focus of the Payment By Results system is of course job outcomes and sustained employment for the end-to-end providers and Tier 3 SCPs are paid on a services delivered basis, rather than through a retained fee. Those SCPs questioned were very clear as to what constitutes value for money, reflecting the statement above.

With effective definition of the customer journey against a five-stage process and the development of the Empro system, Intraining has made a good start to determining 'distance travelled'. Initial assessment and regular customer reviews continue to monitor an individual's progression and development, with personal goals being agreed and monitored. The use of a 'RAG' (Red, Amber & Green) rating system helps to create a visualisation of a customer's needs and any progress made.

In discussions with SCPs, it became apparent that their understanding of what represents distance travelled is many and varied and this may warrant further clarification. In this regard, the Empro tool may prove of significant value, were it, or an equivalent, to be mandated and revisited periodically throughout the duration of the customer's work programme.

3e) Promoting Equality and Diversity

All those within the supply chain are required to have and maintain a Diversity and Equality policy that at least matches that of Intraining. Compliance with this requirement is confirmed during the DPS procurement process and is subject to audit during the QA inspections and the monthly SCM reviews.

In designing the supply chain, Intraining were able to contract with SCPs that share its own beliefs and values, including those related to diversity and equality. NCG has very clear guidelines and requirements in this respect and, through Intraining, all SCPs are required to comply unequivocally.

The Maytas management information system is designed to capture diversity and equality data and there are some good examples locally of this data being analysed and utilised to

demonstrable effect, e.g. with the introduction of ESOL courses. With this as an emerging strategy, many SCPs are, as yet, unaware as to how Intraining will use such analysis to inform future service delivery, or how it links to the wider policy and objectives of the commissioner and this may be worthy of further investigation.

4 Review

4a) Supply chain review

Feedback has been collected from a wide range of stakeholders over the duration of the contract, either through formal processes such as performance review meetings, national and local networking or through informal situations. Here, Intraining defines its stakeholders as: customers, employers, SCPs, staff, local authorities, LEPs, Chambers of Commerce, common interest groups, third sector organisations and of course, DWP and central government. Effective relationships with these organisations all provide for a rich vein of information and feedback and there were several examples of this information giving rise to improvements being made to both practices and processes throughout the supply chain. Evidence of such improvements includes adjustments to the funding arrangements to third sector SCPs experiencing financial difficulties and the introduction of new SCPs being brought on board as a result of feedback from network members and the need to enrich the current supply chain, e.g. for the ex-offenders client group.

Whilst SCPs now meet across the two CPAs, there may be benefits to be had from bringing stakeholders together in a similar manner. It may also benefit all concerned if there was a more consistent view as to who actually constitutes the stakeholders, as there are divergent views amongst some SCPs.

Discussions with SCPs during the monthly SCM reviews, partner sessions held within the CPA meetings and the requirement of all Tier 2 SCPs to complete their own version, all contribute to the development of Intraining's SAR. The outcome of this process is an all-encompassing action plan, used by Intraining to drive development and improvement activities. The Plan is not currently shared across the supply chain network, although highlights are shared through the various communication routes, e.g. the portal and the regular newsletter and reinforced by the SCMs as appropriate.

A number of SCPs in their discussions commented that had found the SAR document to be "onerous" and "unwieldy" and that there are some inconsistencies in what and how overall SAR outcomes are shared with SCPs across the two CPAs. There may also be opportunity to include more Tier 3/4 SCPs in the process in order to increase the diversity and richness of the information collected.

There is a clear commitment within Intraining to the wider policy and objectives of the commissioner. This is evident in the design of the supply chain and the use of specialist providers and in the various new initiatives being explored and delivered. Many of those SCPs interviewed were broadly aware of the commissioner's wider objectives, as well as the part they will be playing in contributing towards them in a demonstrable fashion, although

this is inconsistent and tended to relate to their own area of expertise and interest, rather than across the piece. The Merlin Standard calls for 'measurable impact' and in this respect, this is an element as yet underdeveloped across the supply chain.

Discussions with SCPs at all levels have shown the communication channels identified earlier within this report to be equally effective at providing the supply chain with up to date information on wider policy and strategy, through the described communication vehicles and face-to-face dialogue.

The outcome of the various processes and mechanisms to review and develop the supply chain have given rise to some significant changes, including the expansion of the supply chain to include a new client group, various process and document changes and tweaks to the systems as chronicled earlier in this report.

Though the design and activities of the supply chain have without doubt evolved over the last 12 months, examples of positive, i.e. measurable, **impact** on such aspects as external stakeholders and customer wellbeing tend towards the anecdotal and remain largely unmeasured in any consistent or robust manner. As a result it is difficult to evidence a positive impact in meaningful terms for these aspects.