



merlin

promoting supply chain excellence

Assessment Report
For

PROSPECTS SERVICES LTD

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On behalf of emqc Ltd

Assessment Date: 11/06/12 – 14/06/12

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About the Organisation

Prospects Services Ltd (Prospects) is an employee owned mutual company. It is one of the first and largest new public sector mutuals with shares allocated to managers and staff, as an employee-owned company. The organisation works nationally and internationally in partnership with public, private and voluntary sector organisations, managing and delivering education, employment and training services.

The organisation helps more than one million people each year, through an extensive range of services, which include:

- Careers services for both adults and young people
- Advice and guidance for offenders
- The Work Programme, within the South West and London
- Ofsted Early Years Inspection Services across the country
- An extensive range of education consultancy and school improvement services.

Prospects are the Prime Contractor for the Work Programme in the South West, CPA11, covering Somerset, Devon, Cornwall and Dorset. The contract started on 30th June 2011.

Assessment Methodology

It is a requirement, by the Department for Work and Pensions (DWP) that all providers (Primes) of the Work Programme undertake an assessment against the Merlin Standard before 29th June 2012, which includes Prospects Services Ltd. The assessment team comprised of Lorna Bainbridge (Lead Assessor) and two Assessors: Andy Richardson and Susan Smith, supported by a co-ordinator within the organisation.

The Lead Assessor met with Prospects key stakeholders for the Work Programme in April 2012 to gain an understanding of Prospects business and to start discussions regarding the logistics of the assessment, when an action plan was agreed.

A subsequent planning meeting resulted in the identification of interviewees from within Prospects, who were/continue to be involved in the Work Programme, and partners: tier 2 (end-to-end) and specialist providers.

The assessment team spent a total of 12 days on-site reviewing documentary evidence and undertaking interviews. 100% of the current tier 2 and 56% of the specialist partners were involved in the interviews. In addition, three partners were interviewed who had recently left the tier 2 supply chain and a number of unsuccessful partners.

Assessment Outcome

Overall %	61%
Overall Outcome	Satisfactory
Supply Chain Design	Satisfactory
Commitment	Satisfactory
Conduct	Satisfactory
Review	Satisfactory

Strengths

- ▲ Prospects proactively support the development of staff within the supply chain through a broad range of interventions from shadowing through to delivering group activities. A training needs analysis is built on the requirements identified at performance and quality reviews, resulting in effective targeting of training to support areas for improvement. (2b.3)
- ▲ A two-stage expression of interest with clear scoring and weighting applied, contributed to a fair and transparent approach to communicating with, and selecting Supply Chain Partners (SCPs) for the Work Programme. In addition, the application forms to address data security and financial stability provided a good level of due diligence. (2c.1)
- ▲ Following the research undertaken by Prospects prior to contract award they had a good understanding of the region and the challenges facing customers and SCPs. As a result, there was a clear rationale to support a viable and transparent allocation of market share within the supply chain, which partners fully understood. (2c.4)
- ▲ The findings of this assessment indicated that the management of transferring funds within the network was effective; payments had been made accurately and within the agreed timescale, which had been reduced to 15 days at the request of partners. (2c.7)
- ▲ Prospects have clear and effective strategies to manage the TUPE process, which was recently tested when staff transferred to Prospects as a result of SCPs terminating the contract. Tier 2 SCPs confirmed that the process had been managed in a way that met with their satisfaction. (3a.2)
- ▲ Quality Assurance policies and activities that are undertaken by Prospects are robust and there were a number of examples where findings had been used to inform and improve service delivery across the network. (3b.2)

- ▲ The ASCENT programme by its unique design provides clear measurements and the ability for both Prospects and SCPs to track the progress customers are making. (3d.6)

Areas for Improvement

- ▲ Prospects are mindful of the need to have a supply chain with the scope and variety required to meet customer needs and continue to address this at a strategic level. In the future, consideration should be made to identifying the supply chain engaged by the tier 2 SCPs to further enhance the scope and variety of service. (1a.1, 1a.3)
- ▲ Prospects actively communicated with potential SCPs throughout the procurement activities, and whilst communication took place with the unsuccessful applicants, in the future, consideration should be made to following up with this group to ensure they truly understand the reason for non-selection and provide direction to support them in future bids with Prospects. (2a.1)
- ▲ To ensure effective supply chain management at all levels, there is a requirement to have a robust communication strategy for specialist partners, and ensure full understanding of the context of the communication and actions required. This will contribute to developing good working relations, which are open and honest, positive and supportive. (2a.1, 2a.5, 2c.1, 2c.3, 3a.3, 3a.4, 3c.1, 3c.4, 3d.2, 3d.3, 4a.4)
- ▲ There is a need to increase the interactions with the specialist partners; consider inviting these partners to service development group meetings, best practice forums, training interventions, etc, to develop an inclusive approach to decision-making and sharing best practice across the supply chain. Involvement of the specialist partners in these activities may also contribute to improvements in collaborative working of the supply chain. (2a.2, 2a.3, 3b.8, 3d.1)
- ▲ Prospects genuinely want their SCPs to be successful in delivering a good service to the customer. As a result, consideration should be made to developing a strategic approach to supporting SCPs to grow a sustainable business. The organisation could identify areas for improvement from the expression of interest, providing a good start to develop partners. (2b.1)
- ▲ Whilst there was some evidence of Prospects supporting partners to access additional funding and support services a more active role is required, from sourcing, communicating through to supporting the SCPs with their applications, for example, local funding to support IT upgrades, security, etc. (2b.2)
- ▲ The provision of learning and development for staff is good. This could be further improved by identifying the preferred learning style of partners to ensure the activities are delivered using the most appropriate method. In addition, the organisation would benefit from a greater depth of evaluation of the development activities undertaken to identify the benefits and impact on the performance of the supply chain. (2b.3)

- ▲ Prospects was extremely supportive and on some occasions generous in terms of supporting partners manage their financial risk, however, this has proved to be ineffective in some cases. As a result, in the future, to minimise the financial risk of partners, consideration should be made to designing a number of flexible funding models and openly negotiating options with partners. (2c.2, 2c.5, 2c.6)
- ▲ Whilst partners believe that the services they receive from Prospects, as part of the Work Programme were discussed prior to contract go-live, there is uncertainty regarding the amount that is actually paid for these services. It is recommended that the organisation revisit and raise awareness of the services provided, with a view to being flexible and creative, and ultimately transparent in the fees charged. (2c.8)
- ▲ In the areas where quality assurance activities are taking place, these are good, consideration should be made to broadening the breadth of quality assurance activities, and include specialist partners and the supply chain of tier 2 partners, which would provide greater feedback and inform further improvements in the service delivery. (3b.2)
- ▲ Whilst Information, Advice and Guidance are quality assured with tier 2 SCPs, consideration should be made to setting minimum standards for specialist partners and the tier 2 supply chain networks to ensure consistent standards. (3b.3)
- ▲ Develop robust strategies to address the maintenance of security of data and assets, health & safety and safeguarding for the specialist partners and tier 2 supply chain network, to ensure the same rigour as the tier 2 SCPs. (3b.4, 3b.5, 3b.6, 4a.6)
- ▲ Develop a strategic approach to ensure environmental sustainability is embedded and monitored across the entire supply chain network. This approach will provide data, which will enable Prospects and partners to demonstrate the impact on the wider objectives of the commissioner. (3b.7, 4a.3, 4a.6)
- ▲ Prospects would benefit from clearly defining what 'excellent practice', 'innovation' and 'value for money' means to the organisation to support supply chain managers; operations, performance and partnership, to be effective in the role. (3b.8, 3d.2, 3d.5)
- ▲ Prospects may consider linking distance travelled to value for money to enable partners to benchmark across the supply chain network, and review innovative and cost effective interventions to progress customer's journeys. (3d.5, 3d.6, 4a.6)
- ▲ Develop an overarching Diversity and Equality strategy to include specialist partners and the tier 2 supply chain network, collecting and analysing data to inform improvements to customer service. (3e.1, 3e.2, 3e.3, 4a.3, 4a.6)

- ▲ Prospects would benefit from identifying, and gaining feedback from all stakeholders, and where appropriate involving them in the development of the Self Assessment Report (SAR). The use of technology to involve Tier 2 SCPs was innovative and should be encouraged across the supply chain. Ensure findings are openly communicated across the entire supply chain to contribute to quality and continuous improvement plans. (4a.1, 4a.2)

Areas Requiring Further Development

None identified throughout this assessment.

Assessment Findings

1 Supply Chain Design

1a) Supply chain design

Prospects clearly understood the commissioner's objectives and wider policy intent, which was taken into consideration at each stage of designing the supply chain, from research through to contract award and go-live.

There is evidence that research and consultation was undertaken with the Work and Skills Board, Local Employer Partnerships and other local networks throughout the region, Job Centre Plus, Colleges, existing providers (of previous programmes), other key players within CPA11 and the Work Programme Steering Group. It became evident to the Strategic Steering Group (within Prospects) that there were a number of challenges within CPA11: limited providers to deliver an end-to-end service, 80% of customers live in rural areas and had a diverse range of needs, to mention a few.

The supply chain resulted in being a fair representation of public, private and third sector organisations to ensure the scope and variety to achieve the commissioner's objectives and meet contractual requirements. The organisations currently in the supply chain are in a strong position to provide services to the range of customer groups with diverse needs, and address the rural issues. The Tier 2 SCPs were selected based on their ability to cover a wide geographical area, previous experience and capacity. Similarly, the specialist partners had to demonstrate the ability to address the geographical spread, demonstrate experience and capacity, alongside providing the specialism to tackle and meet customer needs. Additional requirements were requested when procuring the Work Programme, which are detailed in 2a.1.

Throughout the life of the contract, Prospects have encountered issues with their tier 2 SCPs; despite providing extensive support three SCPs have terminated their contract. On two occasions the organisation opted to transfer staff over using the TUPE process, and in the final instance TUPE was not appropriate and interviews were undertaken with staff who, subsequently joined Prospects. In every case staff felt the process was handled positively, professionally, quickly and smoothly to minimise the disruption to customer service.

Prospects continue to be mindful of the need to have a supply chain with the scope and variety required to deliver the service and meet the changing needs of customers, and as a result continue to develop their supply chain, as further reference is made in 4a.5.

Prospects identified organisations outside of its own supply chain to provide additional support and specialist services, for example, money advice, drug and alcohol centres, organisations providing additional funding through Skills Funding Agency and other free services to compliment the current services available throughout the network. In the future, consideration should be made to identifying the supply chain engaged by the tier 2 SCPs to further enhance the scope and variety of service and balance this against the current drive to introduce additional specialists into the supply chain on direct contract.

2 Commitment

2a) Collaboration, cooperation and communication

Prospects promoted the invitation to tender for the Work Programme through presentations, road shows and email; and in some cases targeted emails were sent to potential SCPs to encourage them to complete the expression of interest. Every effort was made to attract new SCPs, as well as those Prospects had worked with previously.

Throughout each stage of the expressions of interest support and guidance was readily available, if requested. After stage one of the expression of interest appropriate feedback was provided to partners; both successful and unsuccessful, which was also undertaken following the second stage. There was evidence to show that clear feedback was provided to those partners that were unsuccessful. In the future, Prospects may consider following up with those that were unsuccessful to ensure they understand the reason for failing, and provide direction to support them in future bids. Equally, due to recent events with the supply chain it may be beneficial to re-visit those that were unsuccessful to identify whether any do meet the requirements and would be fit for purpose as future SCPs upon reflection or through supported development.

Partners confirmed that throughout each stage of the procurement activities, support and guidance was available, and communication was effective.

Prospects clearly stated on a number of occasions: *"We learnt from previous experiences – between contract award and go-live, communication is critical."*

Successful partners described the communications post contract award, prior to 'go-live', which included a range of presentations and meetings (group and one-to-one) for both tier 2 and specialist partners. In addition, a range of learning and development activities were delivered at appropriate intervals, predominantly for the tier 2 partners.

Tier 2 SCPs discussed the ongoing communications, which include: service development group meetings, best practice forums, quarterly contract reviews, weekly and monthly performance reviews, as well as daily telephone contact, if required.

Specialist partners confirmed that prior to contract go-live communications were effective, however, over recent months due to unforeseen low referrals, communication has reduced. It is recommended that Prospects develop a robust communication strategy, which addresses the needs of the specialist partners to retain them within the supply chain.

Consultation in the early stages was through the expression of interests, Prospects requested ideas to contribute to designing the systems and processes. However, partners did not feel this was an effective way of consulting the supply chain, they do not believe their opinions and ideas were taken into consideration at this stage. In the future, consideration should be made to a more overt, transparent approach to consultation, which truly generates discussion and ideas across the supply chain.

Subsequently the service development group and best practice forums provide opportunities for partners to be consulted and involved in a range of decision-making activities. Currently, this excludes specialist partners, which may benefit from being offered the opportunity to take part in these interactions.

At organisational level, the strategic plan to work with Working Links (Prime also operating in CPA11) demonstrates that Prospects recognise the need to work collaboratively in order to provide a cost effective service to the customers.

Prospects has made every effort to encourage the supply chain to work collaboratively, tier 2 SCPs have been encouraged to use the specialist partners, lists of partners have been circulated and reminders frequently sent out, and networking/speed dating activities organised. More recently, there has been evidence of tier 2 SCPs working together, as a result of the service development group, but the use of specialist partners continues to be minimal within the network. Consideration should be made to surveying partners and identifying the reason for not working with the specialists, despite the efforts to date, learn from experience and implement new approaches.

Clear communication channels are in place for tier 2 SCPs, roles and responsibilities are clearly understood, relationships are professional and as a result there is no ambiguity regarding the business relationships underpinning the supply chain arrangements at this level.

Tier 2 SCPs believe the communication is open and honest, due to the frequent and frank discussions between the two parties.

Prospects recognised that communication with the specialist partners had not been as effective and as a result appointed a specialist partnership manager to address this area. Prospects would benefit from a more proactive and structured approach to communication, and a mechanism for checking understanding of information received with the specialist partners.

2b) Developing supply chain partners

Prospects have actively supported and encouraged the tier 2 SCPs to develop, for example, it was identified that the staffing structure was inappropriate for the delivery model of one SCP, and as a result, appropriate support has been provided. On another occasion, the SCP entered a 'deep dive' exercise with Prospects, who are providing extensive business support to improve the business.

The support provided to specialist partners has been minimal to date. The speed dating activity was planned and executed to enable them to promote themselves to the tier 2 SCPs with a view to gaining more referrals. However, this has proved ineffective. Consideration should be made to the type of support specialists require to develop their business, for example, in the case of the third sector organisations, developing business acumen to enable them to run a viable business may be beneficial.

Prospects may consider building a strategy around the expression of interests provided by SCPs. Using these as the basis to identify areas for business development, for example, marketing, business planning, how to submit a successful bid, health and safety, safeguarding, etc.

There was very little evidence of Prospects supporting partners to access additional funding and support services to build capacity and deliver comprehensive services to customers. Tier 2 SCPs had been advised of additional funding opportunities, but there was no follow-up to identify any support required with the application. A more active role is required, from sourcing, communicating through to supporting the SCPs with their applications, for example, local funding to support IT upgrades, security, etc

There was good evidence of Prospects proactively supporting the development of staff within the supply chain. Both in the initial stages and as an on-going process, training needs analysis is undertaken, which results in the design and delivery of a range of activities to support the delivery of the ASCENT programme. There were a number of examples gained where partners had shadowed Prospects staff to improve knowledge and skills of the delivery model. Subsequently, the training needs have been reviewed and further activities identified through the service development group meetings, observations, performance and contract reviews.

In the future, consideration should be made to identifying the preferred learning style of partners, to ensure the activities are delivered using the most appropriate method. In addition, the organisation would benefit from a greater depth of evaluation of development activities to identify the benefits and impact on the performance of the supply chain.

2c) Contracting and funding

Prospects adopted a fair and transparent approach in the way it selected and communicated with its SCPs throughout the procurement activities. Every effort was made to provide interested partners with information and guidance to submit an expression of interest, which truly represented their abilities to provide a service to the customers.

The expression of interest was scored and weighted, which provided a clear indication of how prospective partners performed against the criteria, which was communicated to successful and unsuccessful partners.

Throughout the second stage of the expression of interest, Prospects went back to prospective partners requesting more information, if the submission was not clear, providing opportunities to submit additional information to support their application.

Partners both successful and unsuccessful confirmed that the procurement process was fair and transparent at all stages.

Due diligence was undertaken throughout the procurement activities to ensure partners were financially viable, which included the completion of the finance application form, submission of accounts for the past three-years and a financial statement from the bank.

A funding model was designed, which was discussed with partners, at which stage it was apparent that the model was not flexible enough to suit the needs of all SCPs and subsequently an additional payment for job start fee was introduced to aid the cash flow.

Whilst every effort was made to support partners, for example, loans, change in payment terms, etc. they continued to find the model challenging, as a result, in the future, consideration should be made to designing a number of funding models, which provide up-front payments to meet partner's needs and reduce undue financial risk.

Tier 2 SCPs were provided with contract offers, contractor packs and contracts, which clearly indicated the obligations of both parties. Partners were encouraged to feedback any relevant comments to Prospects regarding the contract, which were taken into consideration prior to signing. The aim of the specialist contracts was to provide a short, simple document in the form of a framework agreement.

Prospects had a clear rationale to support a viable and transparent allocation of market share within the supply chain, which was predominantly based on the research, geography and demographics, which was fully understood and appreciated by the partners.

Some partners were very complimentary about the way Prospects proactively negotiated volumes.

"It was not presented to you, take-it or leave it, there was plenty of discussion."

"We went in with two customer groups and came out with eight at the start."

Partners confirmed that performance expectations mirrored those of DWP, and they clearly understood the minimum service requirements and levels expected of the Work Programme.

Whilst discussions took place regarding funding, Prospects were very supportive, and on some occasions generous. However, partners felt that this aspect of the discussions could have been far more negotiable to contribute to reducing their financial risk, which Prospects should be encouraged to consider in the future.

Every effort was made to ensure the requirements of the SCPs were taken into consideration in pre and post contract award processes. However, despite loans, additional payments for job outcomes and reducing the payment terms, partners fail to believe that full consideration was made to the payment structures. Partners explained that the payment by results model causes problems, which could have been overcome if payment structures were more flexible.

Prospects has adopted an effective strategy to manage the transfer of funds, the findings of this assessment indicated that payments had been made accurately and within the agreed timescale. Partners had requested that payments were made within 15 days, as opposed to the 30 days, which had been responded to positively by Prospects. One specialist partner made the following comment: *"We moved from 30 to 15 days, moved to BACs and received a deposit in advance of the activity."*

Partners are aware of the range of services they receive, for example, The Listening Company, administration support, contract management, etc. However, there is uncertainty regarding the amount that is actually paid for these services, as a result, it is recommended that Prospects revisit communications around the services provided and fees charged to further support the financial position of the partners going forward.

3 Conduct

3a) Demonstrating commercial and business integrity

Prospects have a clear vision and mission, which is supported by a set of clear values, these are openly communicated through promotional materials and the website. Partners explained that prior to entering the expression of interest they researched the core values of Prospects to ensure they were aligned to their own, indicating a tacit agreement with the principles.

Partners believe the core values are embedded and form the basis of the relationship with Prospects. To further enhance the partnership, the organisation may consider a review of how the supply chain and internal staff behave in line with the core values.

Prospects have a transition manager who is responsible to ensure secure and effective transition of business, which includes people. There are clear and effective strategies in place to manage the TUPE process. Prior to contract go-live, Prospects delivered a workshop to increase awareness of the implications and requirements of TUPE to managers. Transfer of staff between organisations was managed effectively following the withdrawal from the supply chain of SCPs recently; managers were well supported and had access to appropriate advice, guidance and support throughout the process.

Recently, people have transferred into Prospects via the TUPE process, as a result of tier 2 SCPs terminating their contract. Once again the transition manager was involved, consultation with those affected took place quickly, and feedback gained from the people was very positive in terms of *"a smooth and quick transition."*

Tier 2 SCPs find people at a local level within Prospects to be very positive and supportive in all their interactions, but on occasions have found some head office personnel to be less supportive and understanding of situations. As a result, in the future when Head Office personnel are dealing with a partner, consideration should be made to whether they truly understand the rationale for decisions being made. Partners are very people-centred and may not always understand the business needs.

Prior to the contract go-live and in the early stages of the programme delivery, specialist partners also found the staff to be positive and supportive. However, interactions in recent months have not been as frequent (due to an unforeseen drop in the levels of referrals), which has resulted in these partners feeling detached from Prospects. Prospects has started a plan of revisiting and nurturing these relationships, which should be fully implemented, and supported by a clear strategy to further improve relationships and communication in the future.

Prospects has clear policies and procedures in place to support and maintain legislative and regulatory requirements and ensures the Tier 2 SCPs are kept up to date with changes in legislation and contractual/statutory requirements in a timely manner, through emails, service development group meetings and their supply chain manager; operational and performance. Whilst the communication is taking place a more robust approach to ensuring the context of the communication is fully understood and action to be undertaken should be developed, and replicated with the specialist partners.

3b) Quality Assurance and Compliance

Effective processes, policies and activities to monitor the quality of service and customer experience have been implemented, for example, feedback and complaints from customers, observation of courses and a range of activities, feedback from tier 2 SCPs, etc

Recently Prospects recognised that only 38% of customers were providing feedback, as a result, their approach has changed with the aim of gaining a higher percentage.

To further improve quality assurance, consideration should be made to broadening the breadth of activities, and include specialist partners and the supply chain of tier 2 partners, which would provide greater feedback and areas for improvement in the service delivery.

The quality assurance activities that are undertaken are robust, and findings are used to inform and improve service delivery across the network, for example, further training needs, rolling group induction, DVD for VIS, etc. Smart action planning and quality improvement plans are in place, which are reviewed on a monthly basis to identify progress and further improvements required.

The entire supply chain network is centred on Information, Advice and Guidance (IAG); established providers with a proven track record are used to provide the service. Observations are undertaken to identify the access to and provision of IAG to ensure this is of a high standard, with consistent, effective signposting and maintenance of a good reputation. To further improve quality assurance of IAG, consideration should be made to setting minimum standards for IAG provided by specialist partners and tier 2 SCPs networks.

Prospects had very clear policies and processes to ensure the security of all data and assets within the supply chain at the start of the Work Programme. The robust due diligence regarding the security of data and assets indicates any areas for improvement, which were addressed. Subsequent training in relation to ISO27001, performance reviews and site visits of the tier 2 SCPs ensures the ongoing maintenance of security of data and assets. However, the ongoing maintenance of the specialist partners is less robust and, as a result, consideration should be made to developing a strategy to ensure the same level of rigour and support. In addition, consideration should be made to the policies and processes to ensure and maintain security of data and assets of the tier 2 supply chain.

The expression of interest addresses health and safety within the supply chain, which includes the specialist partners. Similarly, policies and practices to assure the safeguarding of vulnerable groups supported by the supply chain are established. Subsequently the quarterly reviews and service development group meetings address the maintenance of the tier 2 SCPs in terms of health and safety and safeguarding. However, the same rigour is not adopted for the specialist partners and the supply chain network of the tier 2 SCPs.

Prospects has a clear strategy for environmental sustainability, which includes the achievement of ISO14001 throughout the organisation and achieving specific targets, for example, reducing waste, travel, paper and printing, etc. As a result, environmental sustainability is starting to be monitored across the organisation (Prospects).

The service development group has been established to address four key areas of the business, including environmental sustainability, which tier 2 SCPs attend. This group is in its infancy and as a result whilst policies and procedures have been created to ensure environmental sustainability is in place within the supply chain, it is not fully embedded and monitored throughout the entire supply chain at this time. Further work has to be undertaken with the tier 2 SCPs and a strategy in place for the specialist partners and supply chain network of the tier 2s, which links to the wider policy and objectives.

The best practice forum encourages operational delivery staff to share good practice across the supply chain, which includes Prospects office staff and tier 2 SCPs, which has proved successful to date. Similarly, the service development group encourages the sharing of ideas and best practice regarding the four key areas addressed in these meetings. Supply chain managers; performance and operations, actively share best practice throughout performance and contract reviews. In addition, the ASCENT programme is an effective tool and facilitates the sharing of good practice. However, to date these activities are limited to Prospects office staff and the tier 2 SCPs, consideration should be made to inviting specialist partners to contribute to the agendas and attend the meetings.

Prospects would benefit from defining what 'excellent' practice looks like, in comparison to satisfactory and good, which is documented and shared across the entire supply chain and measured for effectiveness.

3c) Honouring Commitments

Partners confirmed that pre and post contract negotiations were clear and open. Where amendments had been made, the contract was updated to reflect those changes, for example, changes to volumes. Whilst the process was effective, Prospects should be encouraged to check understanding of partners.

Prospects is open to challenges; there is a complaints procedure, partners confirmed that they are confident to challenge and believe they have the right to complain if commitments are not honoured, but to date (those interviewed) have opted/had no reason to use the procedure. It would be good practice to seek confirmation from partners that they understand the process to follow in the event of an appeal or complaint from time-to-time, and in turn ensure they understand the mediation and arbitration services. In addition, consideration should be made to capturing concerns and lessons learnt, and share these across the network even where they don't lead to a formal complaint as such.

Prospects have stated that they would fully respect the decisions made as a result of the Merlin Mediation Service, which has not been tested to date.

Tier 2 SCPs confirmed that they were aware of each other's expectations, before, during and after contract award, and throughout the life of the contract through the communications and subsequent monthly reporting activities. A similar approach should be adopted for the specialist partners. A far more robust process to communication and sharing of information would improve the supply chain network on many levels.

Prospects have started to revisit the specialist partners, as opposed to telephone or email, to build positive working relationships. It is recommended that throughout these visits Prospects' staff ensure documentation of discussions and actions are noted and follow-up activities and dates are agreed.

3d) Performance

Prospects continue to encourage the supply chain to work collaboratively to support and promote the performance of the entire network. New initiatives have been put in place, for example the service development group, best practice forums, etc, which should be constantly reviewed and evaluated to ensure they are effective.

Weekly and monthly performance reviews provide tier 2 SCPs with the opportunity to raise issues and discuss concerns, including those regarding commissioning. Supply chain managers; operations and performance, are involved in the review of performance and due to the good working relationships at local level the communications are open and honest.

The organisation would benefit from having a robust performance review process for the specialist partners, providing a level of formality and a platform for these partners to express their issues and concerns on a regular basis.

Supply chain managers; operations and performance, recognise and support innovation, however, Prospects would benefit from clearly defining 'innovation' throughout the supply chain, as this would help SCPs understand how they might make improvements within their own organisations.

Performance expectations are clearly defined and understood by all parties from the start of the contract through the minimum service requirements/levels and targets.

Management information systems produce consistent and accurate information in relation to performance, which is shared across the tier 2 SCPs and Prospects offices; this gives rise to healthy competition.

Specialist partners confirmed that they were clear regarding expectations at the start of the contract, however, due to the anticipated volumes not materialising, the communication has broken down in some cases and there is uncertainty regarding future involvement.

Prospects has an understanding of 'value for money' across the network, which relates to the distance travelled by customers, however, there is no consistent view across the supply chain network. To provide consistency Prospects should define and communicate what 'value for money' means within the Work Programme to all SCPs.

The ASCENT programme is an effective tool to measure and encourage distance travelled by customers engaged within the supply chain. It clearly indicates where a customer is in relation to their journey towards sustainable employment. Consideration should be made to linking distance travelled to value for money; identifying the monetary value of progressing the customer through specific stages of the journey, providing partners with the opportunity to analyse data and costs, and comparing across the supply chain network.

3e) Promoting Equality and Diversity

Through the expression of interest Prospects ensured the SCPs had processes in place to support Diversity and Equality, which were aligned to their own commitment.

Throughout the life of the contract and through the service development group and contract reviews, the continuing commitment to Diversity and Equality of the tier 2 SCPs has been checked and maintained. However, the same process and opportunities have not been implemented for the specialist partners.

The service development group meetings provide attendees with the opportunity to review current policies and procedures and inform the group of new activities being considered across the supply chain to support Diversity and Equality, for example, equality impact assessments, Stonewall Equality Index, etc. In the future, ensure partners understand how these and other activities link to the wider policy and objectives.

Data is collected, analysed and used within the supply chain, by tier 2 SCPs and Prospects, which contribute to improvements to the customer service, for example, addressing rural issues and challenges, providing for the over 50's, etc. In the future, consideration should be made to an overarching strategy to include specialist partners and the tier 2 supply chain network to further monitor and promote Diversity and Equality throughout the supply chain.

4 Review

4a) Supply chain review

Feedback is actively sought from customers, tier 2 SCPs, Local Enterprise Partners, DWP and other external bodies who undertake assessment and audit activities within Prospects. The feedback is used to inform and improve practices, which was evidenced throughout the assessment, for example, improvement to referral processes, induction, reducing travel time for customers, etc. In the future, it is recommended that Prospects ensure all stakeholders are identified, i.e. specialist partners, providing wider consultation and openly demonstrate improvements across the supply chain.

Prospects have learned from previous experiences when developing the annual SAR, as historically, the return rate from partners was low. In order to gain a greater response, a member of staff visited the tier 2 SCPs, and using a Hand Held Terminal (Data Wall) was able to anonymously capture their comments. This resulted in a greatly increased return rate of views across the organisation's own staff and the tier 2 SCPs. On this occasion the specialist partners and other stakeholders were not included in the process, and as a result, it is recommended they are involved in the development of subsequent SARs.

The SAR is in the final stages of development, which will then be shared with partners, and feed into quality and continuous improvement plans. This approach was adopted when developing the SAR for previous programmes, for example, New Deal.

The supply chain has a measurable impact on the wider objectives/policy intent of DWP in a number of ways. Due to openly sharing performance across the Tier 2 SCPs and Prospects offices, there is an awareness of the impact the supply chain has had on job outcomes, reducing worklessness and progressing customers through the journey. One interviewee made the following comment *"We achieved 93% sustainable employment, which is higher than other providers."*

Specialist partners provide a niche service and understand the direct impact on reducing homelessness, drug and alcohol issues, crime, etc. Once clear strategies are in place across the supply chain to support and contribute to environmental sustainability and Diversity and Equality, the organisation will have a greater understanding of the measurable impact the supply chain has on the wider objectives.

Wider policy and strategy information is communicated to SCPs through the mandate email process and followed up by supply chain managers: operations and performance. Where appropriate, information and guidance is provided to ensure actions are taken, examples included:

- The provider guidance was updated to reflect the changes to minimising fraud within the system.
- Instant communication took place following the introduction of a new customer group, which resulted in a review of the supply chain to ensure it was strategically aligned.

Whilst communication is taking place, Prospects should ensure specialist partners receive the information and thereafter check understanding of the context and requirements to be undertaken.

Prospects has encountered a number of challenges over the past few months in that three of their tier 2 SCPs have terminated their contract. On each occasion the organisation has responded quickly to ensure no disruption to the service received by customers and in one case, actually took on board the full liability of staff, resources and assets, in order to maintain this continuity. Contrary to their aims, the percentage of internal delivery has increased as a result, which is to be addressed through a full strategic review of the supply chain.

The specialist partner network continues to increase to meet the demands of the customer groups. Recently four new partners have joined the supply chain to provide niche services.

Through the design and activities of the supply chain a positive impact will be experienced on external stakeholders, customer wellbeing and environmental sustainability. A range of anecdotal evidence was gained, for example:

- An unemployed person of over 10 years was now prepared for the job market as a result of different interventions, including addressing their wellbeing.
- A reduction in paper usage and printing as a result of transferring over to the portal.

The organisation needs to ensure strategies and targets are identified and communicated to all partners to ensure the collection of actual data to factually demonstrate the positive impact on the wider issues.