



**merlin**

promoting supply chain excellence

**Assessment Report**

**For**

**learndirect**

**By Ruth Regan**

**On behalf of emqc Ltd**

**Assessment Date: 23/06/2014 to 26/06/2014**

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## About the Organisation

**learndirect** was launched in 2000 by University for Industry (Ufi), which was given the remit by the then New Labour Government to use new technology to transform the delivery of learning and skills across England, Wales and Northern Ireland. In 2011 the Ufi Charitable Trust sold Ufi Ltd and **learndirect** to private equity house LDC, part of the Lloyds TSB Banking Group.

Having successfully worked in partnership with the JHP Group Ltd (JHP) in a number of activities, in November 2012 **learndirect** and JHP merged under the **learndirect** brand, and on 1st August 2013, all JHP employability contracts were novated to **learndirect**.

Currently Supply Chain Partners enable **learndirect** to deliver the following contracts:

- ▲ Work Programme: **learndirect** is a Prime Provider in Contract Area Package 12 (Gloucestershire, Wiltshire and West of England).
- ▲ Community Work Placement (CWP): Contract delivery commenced June 2014, with **learndirect** delivering across Scotland.
- ▲ Mandatory Work Activity (MWA): MWA commenced in May 2011 with **learndirect** delivering in the North West of England and Scotland. However, it is only in Scotland where a supply chain is utilised.
- ▲ Jobcentre Plus Support Contract (JSPSC): **learndirect** delivers this provision in the North West of England and Scotland. However, it is only in Scotland where a supply chain delivers this contract.
- ▲ Programme for the Unemployed (PfU): There are two separate contracts under the umbrella of PfU, these are Skills Support for Redundancy (SSR) and Skills Support for the Unemployed (SSU). **learndirect** delivers this provision across the South West, South East, East of England and East Midlands, and utilises a supply chain in many of these areas.
- ▲ **learndirect** Adult Skills SFA Contract: This contract is to deliver skills and qualifications to people who are 19+ years of age. Traineeship programmes for those aged 19-23 years are also delivered as part of this SFA budget.
- ▲ SFA Apprenticeship Contract: The purpose of this contract is to ensure capacity is available to deliver apprenticeships, primarily in the workplace.
- ▲ E-assessments: A range of e-assessments including those being carried out behalf of the Home Office Immigration since e205.

**learndirect** is all about helping people to reach their goals. As such, its vision is a simple one: ***inspiring people to realise their potential***. It is an Investors in People Gold organisation, holds the **matrix** Standard and has achieved an Ofsted Grade 2.

## Assessment Methodology

Following the Strategic Review in September 2013, contact was maintained between the Lead Assessor (Ruth Regan) and representatives of **learndirect**, culminating in a planning meeting on 27<sup>th</sup> May 2014.

During this meeting the full scope of the assessment was agreed. Whilst the scope for the Strategic Review was Work Programme delivery this assessment included all contracts delivered on behalf of government departments and funding bodies, as listed previously. **learndirect** provided a list of partners for all contracts in scope, which indicated the range of contracts and services being delivered.

The Lead Assessor was in regular contact with the co-ordinators prior to the on-site activity, to review the schedule and logistics involved. Prior to the on-site activity all documentation required for the assessment – such as the Self Assessment Questionnaire, Pre-Assessment Notes and schedules - were shared within the agreed time-scale.

The assessment team - consisting of Ruth Regan (Lead Assessor) and two team Assessors, Tracey Pepper and Kim Howard - spent a total of 12 days on-site, reviewing documentary evidence and undertaking interviews with a robust, representative sample of end-to-end Supply Chain Partners from across the contracts. Collaborative and specialist intervention provision organisations also contributed to the assessment.

**learndirect** staff involved in the strategic and day-to-day delivery and management of the supply chains were also interviewed.

## Assessment Outcome

<b>Overall %</b>	<b>90%</b>
Overall Outcome	Excellent
Supply Chain Design	Excellent
Commitment	Excellent
Conduct	Excellent
Review	Good

## Strengths

A number of key strengths were identified during this Merlin assessment and summaries of these are given below. The numbers in brackets refer to the criteria of the Standard to which the areas relate.

- ▲ Supply Chain Partners appear extremely motivated and enthusiastic about working with **learndirect**. The reputation and size of the organisation is perceived as being of real benefit to them and their customers. (1a)

- ▲ Since the Strategic Review there have been considerable developments made to the strategies, processes and activities undertaken to identify the scope required of the supply chain in order to meet contractual requirements and the objectives of the commissioner(s). (1a.1)
- ▲ The supplier network consists of a varied mix of organisations of all sizes and maturities, and from the public, private, and third sectors. This varied mix meets the needs of the commissioner(s) and the variety and changing needs of customer/learner groups. (1a.2)
- ▲ The supply chain considers **learndirect**'s approach to communication to be very effective, with open, honest and two-way discussions at both operational and strategic levels taking place both before and during procurement activities. Post-contract award, communications continue to be clear, transparent and effective, and ensure there is no ambiguity regarding the relationships involved. (2a.1 & 2a.4)
- ▲ There is robust development of Supply Chain Partners, including supporting them to obtain additional funding finance streams – both those that **learndirect** can offer internally across the network and external funding/finance from outside the supply chain. The **learndirect** strategy is, wherever appropriate, to develop the capability and capacity of Supply Chain Partners to deliver more. (2b.1 & 2b.2)
- ▲ The processes and procedures to support procurement of new Supply Chain Partners are now extremely effective – including the process used to select and score Expressions of Interest, and the subsequent giving of feedback, whether successful or not. (2c.1)
- ▲ **learndirect**'s approach to open and honest communication includes the sharing of information about contract requirements (pre- and post-contracting), funding, fees and costs, all of which are openly discussed with network partners across the different contracts. Every effort is made pre-contract to ensure that potential partner organisations fully understand the requirements of the contract, the outcomes needed for payment, etc. (2c.2, 2c.3, 2c.5, 2c.6, 2c.8, 3c.1 & 3d.3)
- ▲ The business principles on which the network of partner organisations operate is clear due to the working history of those involved. The **learndirect** values - PACE = Passionate, Agile, Courageous, Empowering - clearly reflect the behaviours demonstrated by the majority of **learndirect** staff involved in the management of the supply chain. (3a.1)
- ▲ There is an effective supply chain management framework in place, and strategies to review and monitor the quality of service delivery across the supply chain. The findings of these reviews are used to improve performance. (3b.1 & 3b.2)
- ▲ The whole approach to the commitment, engagement and management of diversity and equality is to be applauded. Information gathered is proactively analysed and used to inform supply chain design and delivery models across all contracts. (3e)

- ▲ Partners believe they are having a very positive impact on the wider objectives/policy intent of the commissioner(s). They were able to share many anecdotal examples about improving the lives of the people they were engaging with. (4a.3 & 4a.6)
- ▲ The review and improvement strategies designed by **learndirect** contribute to the future development and design of the supply chain, ensuring it meets the changing needs of the different stakeholders. (4a.5)

## Areas for Improvement

Whilst **learndirect** demonstrated that it met the Merlin Standard, the following areas - based on feedback from **learndirect** staff and/or partners, observations and/or documentary evidence - could be considered for review and improvement. The numbers in brackets cross-reference the findings to the relevant element and criteria of the Merlin Standard.

- ▲ Supply Chain Partners have developed effective and fruitful relationships with a variety of support organisations that add value to the customer and the contracts. Consider how best to map these support organisations and ensure they are being quality assured and utilised appropriately. (1a.3 & 4a.1)
- ▲ As the supply chain management structure continues to evolve, additional efforts may need to be made to ensure that the range of processes used to consult with the supply chain remain effective, and that all understand the outcomes of the consultation activities. (2a.2)
- ▲ Collaboration within the individual supply chains is robust. Again, as the supply chain management structure evolves, the support and encouragement given to these supply chains to work collaboratively across all contracts may need refining. (2a.3. 3d.1)
- ▲ **learndirect** has a considerable wealth of learning resources available, and some - but not all - Supply Chain Partners have access to them for their own staff development. Consideration could be made to a full review of the learning and development needs of partner staff members and agreeing what levels of access can be made available through the Academy. (2b.3)
- ▲ Periodically remind Supply Chain Partners about how the allocation of market share is agreed according to **learndirect**'s needs and Supply Chain Partners' abilities to deliver, as identified through research activities. This is particularly important when contracts/market share are being reduced. (2c.4)
- ▲ The strategy for the transfer of funds/finances across the network is in the main effective and ensures that Supply Chain Partners received the payment due. Arrangements are flexible and take the needs of the Supply Chain Partners into consideration. However, some Supply Chain Partners may benefit from additional support to enable them to understand the documents/spreadsheets provided to them. (2c.7)

- ▲ Consider the benefits of introducing some form of 360 degree feedback from Supply Chain Partners on the behaviours the **learndirect** staff exhibit, in line with the PACE values. (3a.1)
- ▲ Health and safety, safeguarding, and data security are important to **learndirect** and Supply Chain Partners. Whilst policies are checked etc., consideration should be given to what else might be done to ensure that policies are being proactively implemented across the supply chain. (3b.4, 3b.5 & 3b.6)
- ▲ Whilst the Supply Chain Partners have supplied their environmental suitability policies to **learndirect**, consideration could be given to developing a robust approach to ensuring targets are set and embedded across the supply chain. (3b.7 & 4a.6)
- ▲ The amount of feedback **learndirect** seeks and receives is considerable – and there may be benefits to analysing the sources of this feedback and putting together a ‘feedback framework’ to ensure that there is no duplication and that appropriate action can be taken in a timely manner. (4a.1)
- ▲ **learndirect** and partners work together to deliver their services to gain positive outcomes for people and contribute to the commissioners’ wider social objectives. Whilst a level of anecdotal evaluation takes place regarding the impact on the wider social objectives/policy intent, consideration could be made to developing a more robust, formalised approach to measuring the impact that the activities of the supply chain are having on external stakeholders, customer well-being and environmental sustainability. (4a.6)

## Areas Requiring Further Development

**learndirect** has successfully met all the requirements of the Merlin Standard, as described in the assessment outcome. As a result, there are no areas requiring further development identified throughout this assessment.

## Assessment Findings

### 1 Supply Chain Design

#### 1a) Supply Chain Design

The strategy of **learndirect** is to engage and work with Supply Chain Partners in locations where it does not have an established footprint, and where suppliers have established links in the localities and/or specialisms in supporting certain client groups and communities. The strategy allows **learndirect** to meet the challenges and needs of a variety of contracts, working with a wide range of organisations, individuals and sectors. To ensure the needs of customer and commissioner can be met, different levels of sub-contracted delivery have been identified: end-to-end, collaborative and specialist intervention provision.

The research activities undertaken to gain an understanding of the market place into which **learndirect** is aspiring to enter are robust, and include mapping the local geography and demographics; Jobcentre Plus office locations, priorities, and activity; unemployment 'hot-spots'; existing infrastructure and provision etc.

- ▲ "...we have had to take a hard look at the makeup of our supply chain due to the cuts in funding – removing duplication while maintaining a UK-wide footprint." - **learndirect**
- ▲ "...our overarching strategy is clear – we will deliver where we have a footprint and an infrastructure – where we don't we subcontract out." - **learndirect**
- ▲ "...geographical reach is the key." - **learndirect**

Across all contracts, **learndirect** has developed networks of providers sourced from the public, private, and third sectors as well as consortium members and social enterprise organisations. These networks include small niche providers that may support a particular client group and/or disadvantaged area. Long term relationships with a range of Supply Chain Partners are complemented by new organisations who have been introduced to address the changing needs of customers, needs such as self-employment expertise, specialist sales apprenticeships and health and social care for mental health specialist support. Established community-based partners blend with corporate generic suppliers, some of whom are Primes in their own right.

The supply chain is also balanced in terms of size and sector and includes generic private training providers, colleges, charities and a mix of specialist providers supporting the ESA and PG9 customer base. Supply Chain Partners shared examples of how they had entered and exited the network to meet a specific contractual and/or customer need.

The robust approach **learndirect** takes to ensure the mix of partner organisations is meeting customer and contract requirements has left some Supply Chain Partners feeling unsure about their future within the network. Some felt that they are being edged out of the market by the introduction of new organisations to the network, despite their performance being at 90%. Whilst most ASB Supply Chain Partners understand the flexible approach to contract achievement, more time might be well spent further explaining the rationale behind the supply chain mix to those partners impacted by contract changes.



"...provision and the mix of subcontractors has to be flexed to meet contract and customer needs." - **learndirect**

"...SFA reduction cut by 15% - feeling as though being edged out." - Supply Chain Partner

"...the supply chain has a good mix." - Supply Chain Partner

"...will draw on providers' expertise and use strengths to develop the supply chain." - Supply Chain Partner

**learndirect** has developed processes to enable new specialist intervention partners to join the network in a structured manner, ensuring that the correct level of due diligence is completed and proportionate agreements are put in place. In the main organisations use their own Tier 3 support organisations (following an informal due diligence) to underpin their local customer needs. However, **learndirect** is taking a more proactive approach to the engagement of specialist provision to support either local or national needs, aiming to provide comprehensive coverage without duplication/competition. Local needs include, for example, housing advice within one specific geographical location, while nationally identified needs include self-employment specialist support.

- ▲ "...we have Tier 3 and 4 Champions who work locally in the field identifying support organisations who can, for example, support our ESA clients." - **learndirect**
- ▲ "...we are developing a bank of Supply Chain Partners on BRAVO (procurement process platform)." - **learndirect**
- ▲ "...the supply chain is settled. One provider is no longer delivering but their workload was re-distributed amongst existing partners. x attended the last meeting to offer their support for a fee." – Supply Chain Partner

## 2 Commitment

### 2a) Collaboration, Cooperation and Communication

The most recent example of how **learndirect** has entered communications pre-contract is with CWP and JobPath (Ireland). A wide variety of mediums were used to engage with potential Supply Chain Partners, including:

- ▲ Advertisements
- ▲ Communications via the **learndirect** website and the BRAVO procurement process platform
- ▲ Newsletters
- ▲ Social Media (LinkedIn)
- ▲ Face-to-face meetings
- ▲ Pre-tender information briefings including roadshows and a walk through of the customer journey and implementation plan
- ▲ Pre contract award negotiations scheduled being shared

Supply Chain Partners joining the CWP network readily confirmed that during all stages of the pre-procurement process, communications were very clear, transparent and personable – giving them all ample time to judge the requirements of the programme and their capabilities and capacity to deliver.

Standard procedure describes how feedback on the strengths of submissions is given, but not all who did not meet the standard as defined in **learndirect's** evaluation and scoring methodology received the level of feedback they would have liked, to enable them to understand the areas where they needed to improve.

- ▲ "...we are doing monthly 'keeping in touch' bulletins with Supply Chain Partners who we are hoping to contract with on JobPath." - **learndirect**
- ▲ "...impressed – very focused on what programme (CWP) is trying to achieve and where it fits in with other DWP programmes, and outcomes from day 1." - Supply Chain Partner
- ▲ "...we would have liked more feedback than we received." – Supply Chain Partner

Partners across the **learndirect** networks were able to describe how they contribute to/are involved in decisions regarding the design and/or improvement of systems and processes, with numerous examples being shared. For example:

- ▲ Additional learning modules have been procured through the supply chain being asked for their feedback.
- ▲ Paperwork and processes initially designed by **learndirect** to support CWP delivery have been 'tweaked', following the input of the newly formed network.
- ▲ In order to develop a new management information system Project Leo has been established, with a number of supply chain operational partners being involved in testing the system and advising on what reports would be valuable to the supply chain.

One key consultation activity has taken place with members of the Work Programme Supply Chain Partners. **learndirect** consulted on identifying and agreeing an extrapolation process. Written communications and presentations were given to financial representatives who were able to challenge, clarify and suggest alternative approaches. The Supply Chain Partners voted for the approach they preferred and **learndirect** went with the majority vote and have implemented the chosen process.

In order to ensure that the supply chain has a voice and an opportunity to influence change at a more strategic level an Employability Supplier Board has been established, which meets with representatives of **learndirect** every 4 months.

- ▲ "...we consulted on the provider guidance and the Partner Pack, on what they wanted in it etc." - **learndirect**
- ▲ "...the word consultation is often used." - Supply Chain Partner
- ▲ "...they (**learndirect**) consult on all sorts of things – they want to hear." - Supply Chain Partner
- ▲ "...documents for CWP were sent out for consultation so we could sense check it all with front line staff." - Supply Chain Partner
- ▲ "...been very good when there have been changes to delivery." – Supply Chain Partner

Members of the supply chain confirmed that **learndirect** supports and encourages them to work collaboratively, share ways of delivering and to talk openly about their experiences of working with their customer groups. Supply Chain Forums are effective for conveying messages, resolving issues, reviewing performance and sharing good practice. Meetings take place at least once per quarter and are chaired by **learndirect** Supply Chain Managers (SCMs).

As well as these face-to-face meetings, **learndirect** makes excellent use of technology, enabling members of the supply chain to collaborate through Webinar events. For example 'Marking English' and 'Marking Maths' events have allowed tutors to compare their approaches to marking with others, and to moderate and improve the way marking is done across the delivery network. Partners also gave examples of individual members of the supply chain sharing knowledge, expertise, documentation and processes.

**learndirect's** progress towards assessment against the Merlin Standard was communicated to the network through a variety of methods including via the Providers Portal, the Network Bulletin, newsletters and Webinars.

- ▲ "...we set up a number of supply chain boards – such as the Strategic Supplier Board, the Employability Supplier Board, all to help collaboration between **learndirect**, our partners and wider." - **learndirect**
- ▲ "...partners with particular expertise shared their approach to supporting ESA and PG6 client groups to help the other partners." - **learndirect**
- ▲ "...**learndirect** has been consistent over the years. A supportive approach and good communication is vital. We get regular bulletins, have access to the provider portal and attend forums. It works well for us." - Supply Chain Partner
- ▲ "...we have a monthly meeting of delivery partners." - Supply Chain Partner
- ▲ "...we all meet and network together at least every two months – it's always well attended." - Supply Chain Partner

Despite the excellent examples shared, and numerous positive views expressed about **learndirect's** approach to collaborative and open participation, there were a couple of partner organisations who have yet to fully experience this approach, or to believe that it is part of the **learndirect** approach to supply chain management.

- ▲ "...they (**learndirect**) are probably well intentioned but the relationship is not a dialogue. **learndirect** tell you what to do." - Supply Chain Partner
- ▲ "...the relationship is honest. You (Supply Chain Partner) are here to perform and deliver against the contract. It is not supportive or consultative." - Supply Chain Partner

Organisations who previously worked with JHP described how since the merger communications have become more structured and more supportive. All Supply Chain Partners confirmed that they have named individuals within **learndirect** who are their main points of contact relating to all operational matters. Consequently, effective, clear and transparent communications are maintained ensuring there is no ambiguity regarding the business relationship. Regular operational phone calls, monthly face-to-face performance review meetings, workshops, supply chain forums, Webinars, weekly Network Bulletin, league tables, financial information, emails, newsletters (for DWP partners) and the Providers Portal (for ASB and Apprenticeships partners) were all cited.

- ▲ "...there have been significant improvements to the way the supply chain is now managed. Communication is more focused. **learndirect** is clearer about what it wants from us and how it will operate." - Supply Chain Partner
- ▲ "...want to highlight the increase in quality support." - Supply Chain Partner

- ▲ "...one key difference after the merger is the professionalism and support." - Supply Chain Partner
- ▲ "...the Portal is a really good reference point." - Supply Chain Partner
- ▲ "...always in touch and on the ball." - Supply Chain Partner

Adjectives used by Supply Chain Partners to describe the communication culture between them and **learndirect** were open, honest and without unreasonable constraint, and most were able to validate that their business relationship with **learndirect** is based on mutual trust and understanding.

- ▲ "...our journey has been a really good one through openness, communications and working together" - Supply Chain Partner
- ▲ "...all very visible - know what we are doing and why we are doing it." - Supply Chain Partner
- ▲ "...the supply chain is now more collaborative. We share good practice. We used to be played off against each other." - Supply Chain Partner
- ▲ "...**learndirect** is our best partner. They are receptive, open and helpful." - Supply Chain Partner
- ▲ "...relationship is constructive, positive, but challenging what we do to make sure we're thinking along the right lines." - Supply Chain Partner
- ▲ "...Network Manager is supportive; gives heads up on information – nothing is ever a surprise." - Supply Chain Partner
- ▲ "...absolutely fantastic." - Supply Chain Partner
- ▲ "...Network Manager is pivotal in keeping me up to date and on the straight and narrow." - Supply Chain Partner
- ▲ "...better now than it's ever been – although not perfect." - Supply Chain Partner
- ▲ "...Partnership Manager is brilliant." - Supply Chain Partner

## 2b) Developing Supply Chain Partners

**learndirect** has taken a proactive approach to driving the development of its Supply Chain Partners, to increase their organisational capability and capacity to deliver across the contracts and beyond. Numerous examples were shared by members of their supply chain including:

- ▲ The range of information and development tools available on the Provider Portal
- ▲ The Quality Management System
- ▲ Talking through expansion plans with various members of the **learndirect** team and reviewing the risks and benefits of expansion
- ▲ Sharing information on awarding bodies to provision development
- ▲ Helping SFA funded partners to measure job outcomes effectively
- ▲ An event at which Supply Chain Partners focused on sharing their different approaches to working with employers
- ▲ "...the spirit of helping each other is very good (within the supply chain)." - Supply Chain Partner
- ▲ "...we learn from other partners." - Supply Chain Partner
- ▲ "...have developed our quality through guidance; BIT team came in and worked with us." - Supply Chain Partner

It is a key strategy of **learndirect** to support its supply chain to expand into other contract delivery so that they are more financially robust and resilient, and able to flex with the changes to funding made by the commissioners. Consequently, the weekly bulletin sent to Supply Chain Partners and BRAVO are used to communicate opportunities for additional funding, services and qualifications. The Supply Chain Management Framework is also used to promote new opportunities such as ESF maths and English tenders, and 24+ loans.

In addition **learndirect** has encouraged all Supply Chain Partners to sign up for alerts about funding opportunities outside of the current contracted provision. Where appropriate opportunities are also made available to Tier 3 specialist intervention partners.

- ▲ *"...we want our supply chain to develop and do more – it's in all our interests that they are capable of doing more as a business."* - **learndirect**
- ▲ *"...mixed delivery model is our strategy now across all contracts."* - **learndirect**
- ▲ *"...**learndirect** is quite considerate and gives us advice on funding. They are caring, for a big provider."* - Supply Chain Partner
- ▲ *"...we have had information to help with accessing Student Loans from BRAVO and from additional contact with Sheffield."* - Supply Chain Partner

Members of the Business Improvement Team and Supply Chain Managers are actively engaged in the training and development of supply chain staff. This comes in a variety of formats, including Master Classes, Webinar events, one-to-one coaching, and providing feedback following observations of practice etc. Webinars are recorded and form a rich learning library to which partners can refer back should new members of staff join the organisation, or as a refresher for existing members of staff. Supply Chain Partners joining the CWP network were particularly positive about the three-day development event provided by **learndirect** during the mobilisation period.

- ▲ *"...we look for trends across the Work Programme and then deliver Master Classes as a result."* - **learndirect**
- ▲ *"...I have booked on seven training courses. Webinar is better than face-to-face training."* - Supply Chain Partner
- ▲ *"...x and x deliver face-to-face master classes for new starters and I encourage current staff to attend for refreshers every six months."* - Supply Chain Partner

## 2c) Contracting and Funding

**learndirect's** Supply Chain Management Framework is a comprehensive structure that is used across the business to set both a consistent standard and a consistent set of behaviours for the management of Supply Chain Partners.

Tenders and mini-competitions are supported by a specification and supporting information document which clearly sets out requirements, how the competition will be evaluated and the route to raise clarification questions and timelines. All Expressions of Interest (EOI) are assessed against a pre-defined scoring methodology and staff involved in the assessment of the EOIs attend a benchmarking exercise to ensure consistency in marking and moderation, and that the benchmark standard has been applied consistently.

Organisations who had engaged with **learndirect** on previous tenders described how the use of BRAVO and the Supply Chain Management Framework had streamlined and eased the bidding/tendering process.

Partners delivering the ASB contract confirmed that the annual procurement process starts in April, with initial discussions about the focus and funding for the following year, after which a headline contracting timetable is shared. Similar processes are applied (as relevant) for the Apprenticeship provision. New organisations joining the DWP supply chain now take part in an onboarding/induction that includes:

- ▲ An Implementation Guide
  - ▲ Training on data systems and customer journey
  - ▲ Overview of quality and compliance arrangements
  - ▲ Overview of Employer engagement
  - ▲ Performance Management arrangements
  - ▲ Contact list of key staff within the **learndirect** business
  - ▲ A communication plan which sets out how, when and by whom they will be contacted
- 
- ▲ *"...for each question there was an example of a high score answer to help the assessors – then all were moderated."* - **learndirect**
  - ▲ *"...we have a much more professional procurement process in place now."* - **learndirect**
  - ▲ *"...very straightforward and supported through BRAVO."* - Supply Chain Partner
  - ▲ *"...understood evaluation scoring and given a provisional offer, then confirmed once **learndirect** achieved Prime status for CWP."* - Supply Chain Partner
  - ▲ *"...SCMF framework shared openly."* - Supply Chain Partner
  - ▲ *"...true bidding process."* - Supply Chain Partner

Supply Chain Partners joining the Work Programme operate with three different funding models. Funding Model 1 mirrors prime contract; Funding Model 2 supports medium-sized organisations, providing greater up-front funding; and Funding Model 3 is for small organisations with less financial risk. This approach has since been improved and a calculator developed which will allow organisations to input their costs against projected volumes, performance offer and prices, to help with financial modelling and establishing breakeven points. Funding arrangements for ASB and Apprenticeship Supply Chain Partners are split into start, on programme and achievement, allowing suppliers to balance cost of delivery and cash flow.

- ▲ *"... 3 payment structures, depending on differentials."* - **learndirect**
- ▲ *"...we've built a model so partners can plug in their volumes and costs."* - **learndirect**
- ▲ *"...finance dashboard – updated weekly showing funding for each learner activity."* - Supply Chain Partner

Supply Chain Partners confirmed that **learndirect** has devised contractual documentation which clearly defines the obligations of both parties. Those who were able to compare and contrast the contractual documentation provided by **learndirect** against that provided by other Prime contractors confirmed that **learndirect**'s contract compares favourably. Delivery and quality teams create contract guidance to ensure that the minimum delivery and performance standards are clear.

ASB service level agreements have been simplified and made more user friendly for partners; as well as defining the level of service and obligations expected it is a comprehensive point of reference for guidance on all aspects of contract management and delivery.

- ▲ "...we had one-to-one surgeries before the partners signed their contracts so they fully understood what was required." - **learndirect**
- ▲ "...contracts flow through from header contract – but we try and keep them simple." - **learndirect**
- ▲ "...contract documentation clear and supported by partner pack." - Supply Chain Partner
- ▲ "...lots to read but everything is under clear headings and everything is there." - Supply Chain Partner

Market share is clear. Initial allocation is agreed during pre-contract negotiations and is based on expectations of what the Supply Chain Partner can realistically deliver in their respective geographical locations. Allocation of market share for ASB Supply Chain Partners depends on the number of centres each partner has and the demand and need in those areas. Volumes are changed via moving flow where partners do not meet their targets. Some ASB partners who are having their market share reduced due to funding reductions raised concerns about the longer-term strategy of **learndirect** for the geographical areas served, and would welcome a more detailed conversation about this.

- ▲ "...we don't want centres to compete within the same geographical patch." - **learndirect**
- ▲ "...we know we have 6% of the market share." - Supply Chain Partner
- ▲ "...we are the only provider in the area." - Supply Chain Partner
- ▲ "...during partner away-day market share was discussed." - Supply Chain Partner

Discussions around capacity and potential growth opportunities take place at director level and Supply Chain Partners confirmed that negotiations are taking place for the next contract year. Partners who have worked with **learndirect** for a number of years gave examples of how they have, over the lifetime of different contract, been able to negotiate volumes and funding at regular intervals. Potential CWP Supply Chain Partners, confirmed that **learndirect** provided a model into which they could enter volumes and costs to identify and then negotiate the level of activity and funding needed to make the program viable for them. In some cases, where organisations were struggling to finalise their financial model, **learndirect** shared its own model, used when bidding to be a Supply Chain Partner of another Prime Contractor.

- ▲ "...with one organisation who are a charity we worked to try and make the numbers fit – but we still fell short of what they wanted to feel comfortable." - **learndirect**
- ▲ "...we negotiated with the supply chain on job outcomes – we now pay 15% less for employability qualification but pay 20% if they get a job." - **learndirect**
- ▲ "...we negotiate monthly and quarterly so as to hit the exact budget." - **learndirect**
- ▲ "...very welcoming and open to ideas." - Supply Chain Partners
- ▲ "...there have been no surprises." - Supply Chain Partner
- ▲ "...level of communication and trust is great." - Supply Chain Partner
- ▲ "...BRAVO is a really clear way of communicating – it's solid." - Supply Chain Partner

Time is taken with all Supply Chain Partners to ensure their individual needs regarding payment structures and terms are considered. For example, smaller Supply Chain Partners delivering on the Work Programme were given an option of three payment models to choose from. Other payment schedules for end-to-end delivery partners are predominantly designed to reflect the payment model outlined in the **learndirect** contract with the commissioner, and this is similar for ASB and Apprenticeship suppliers.

Apprenticeship partners, however, have received exception payments to support their business requirements, especially where deadlines have been narrowly missed. Supply Chain Partners described how when there were issues with the SFA system at the beginning of the contract, **learndirect** stepped in and paid them on profile to keep cash flows going. All Supply Chain Partners joining the network over the last 12 months confirmed pre- and post-contract congruence. Where there were differences these were explained and worked through.

- ▲ *"...time spent early on with new Supply Chain Partners was well worth it."* - **learndirect**
- ▲ *"...post-contract – things are always changing – **learndirect** is a huge machine – so sometimes things take longer than we are used to – understand now that they cannot make decisions in isolation."* - Supply Chain Partner
- ▲ *"...negotiations went smoothly. There has been a bit of tinkering but things have gone very much as planned."* - Supply Chain Partner

Following feedback and requests from the supply chain, **learndirect** has moved to a self-billing payment process to ensure there is a successful transfer of funds. Every month **learndirect** produces an invoice for each Supply Chain Partner for each contract, held together with a spread sheet detailing the makeup of the payment. This information is provided to partner organisations on the 8<sup>th</sup> working day of the month and then paid at the end of the same month. This process has been enhanced following further feedback from the supply chain, who asked for additional information to be provided, such as the names of the learners (where allowed by the commissioner). Despite this, a couple of Supply Chain Partners expressed concerns that the payment arrangements still cause undue pressure for them as they have to spend time cross-referencing the invoice/spread sheet details back to their own records, and others highlighted delays in payment - most however, described the transfer of funds as fair and transparent.

- ▲ *"...we are working with the partners to help them understand the spreadsheet – especially some of the smaller organisations who don't have a financial expert on board."* - **learndirect**
- ▲ *"...we've added names (where allowed) to help partners cross reference the payments."* - **learndirect**
- ▲ *"...has to be on the system for self-billing to work – we still have problems with the SFA system – we paid on profile for the first 4 months as the system wasn't working."* - **learndirect**
- ▲ *"...three months ago **learndirect** changed the way payment was made. It took 2 months for us to get paid."* - Supply Chain Partners
- ▲ *"...we have to double check their (**learndirect's**) figures. They struggle to get a basic transaction correct."* - Supply Chain Partner
- ▲ *"...we have issues with **learndirect** finance. There are often anomalies. We rarely get paid the full amount on time at the end of the month."* - Supply Chain Partner



- ▲ "...works like a dream." - Supply Chain Partner
- ▲ "...integrity is there; open and honest." - Supply Chain Partner
- ▲ "...they are our bread and butter funding so it is important that they are reliable. It works well for us." - Supply Chain Partner

To ensure transparency, the management fee rate is included in the contractual documentation provided by **learndirect**. All Supply Chain Partners were aware of the management fee charged, and most but not all believed the fee to be 'value for money'.

- ▲ "...management fee all based on adding value." - **learndirect**
- ▲ "...we have reviewed the management fee to enable the supply chain to capacity build." - **learndirect**
- ▲ "...**learndirect** take a percentage of the top slice and we get the Business Improvement Team, Classes, DWP Communications in return." - Supply Chain Partner
- ▲ "...the management fee is for our Partnership Manager, claims process, performance support, business improvement, finance and training – we get a good return." - Supply Chain Partner
- ▲ "...20% management fee is unjustifiable given the level of support available." - Supply Chain Partner

### 3 Conduct

#### 3a) Demonstrating Commercial and Business Integrity

**learndirect** has developed and communicated its PACE values – Passionate, Agile, Courageous and Empowering - and these values drive organisational and individual behavior. While these were not developed with the supply chain, they are known and understood across the network. A diverse range of Supply Chain Partners confirmed that their own principles and values align to those of **learndirect** whilst retaining their individual values, specialisms and focus. The network operates with a clear belief that the **learndirect** brand - and therefore its success - is directly impacted on by the way the network partners operate within their localities and with their customers.

- ▲ "...we would like PACE to be fully adopted by the supply chain." - **learndirect**
- ▲ "...it's the **learndirect** brand that is key – not who owns the centre." - **learndirect**
- ▲ "... PACE - Passionate, Agile, Courageous, Empowering – that's how they (**learndirect**) operate." - Supply Chain Partner
- ▲ "...PACE values are well written but we do not feel part of the (**learndirect**) vision. They are applied to us." - Supply Chain Partner
- ▲ "...**learndirect** values fit with ours" - Supply Chain Partners
- ▲ "...PACE translates into our own values – they don't contradict." - Supply Chain Partner
- ▲ "...they really are passionate and we try and be the same." - Supply Chain Partner

**learndirect** has an established process and policy in relation to the management of TUPE transfers, together with significant experience of actively managing large scale TUPE on contracts such as the Work Programme. Where operating as the Prime Contractor, full support, advice and assistance is offered to the Supply Chain Partners regarding the TUPE transfer process.

For example they are given access to an experienced People Manager, and the opportunity to utilise TUPE materials, including announcement templates and letter templates. **learndirect** also works closely with industry representatives and funding bodies such as ERSA and the DWP to ensure what support they give is aligned to best practice and latest industry news.

- ▲ "...the way it was worked, **learndirect** were very helpful – they shared templates for letters etc. They checked what I wrote so that it was legally correct, etc." – Ex-Supply Chain Partner
- ▲ "...for one member of staff it was unsure if TUPE applied. **learndirect** worked really hard to try and accommodated him." – Ex-Supply Chain Partner

Most Supply Chain Partners were able to validate very positive relationships with members of the **learndirect** supply chain team(s). Those Supply Chain Partners who had experienced the formal performance improvement process confirmed that this was conducted in a professional, personal and supportive way. Individual partnership/network managers were highly praised by all interviewees. CWP Supply Chain Partners described feeling part of a family, with partner and **learndirect** staff working and learning together to the benefit of the contract. A number of Supply Chain Partners highlighted the importance of being able to establish a supportive working relationship with all staff at **learndirect**, and while this was the case in the majority of cases, some partners shared examples where individuals within **learndirect** had not been as supportive as expected in certain instances.

- ▲ "...now we are part of **learndirect** we have a different way of working with our partners – there is much more collaboration and openness." - **learndirect**
- ▲ "...x has been a delight to work with. She is always available. It is a crucial relationship. She has been very supportive." - New Supply Chain Partner
- ▲ "...good conversations that identify clear lines of activities to be able to plan." - Supply Chain Partner
- ▲ "...relationship is really very, very good." - Supply Chain Partner
- ▲ "...it's excellent – we talk on an equal level." - Supply Chain Partner
- ▲ "...positive with most; not as positive with x – controlling attitude." - Supply Chain Partner
- ▲ "...something's changed (in the relationship)." - Supply Chain Partner

Supply Chain Partners confirmed that they are notified of changes/updates to all policies and procedures through targeted email alerts. These communications are reinforced by Webinars, articles in the monthly Network Bulletin, at one-to-one performance reviews and through the supply chain forums. Any commissioner updates and changes to funding body requirements are also communicated through the bulletins with relevant documentation and/or guidance on the Provider Portal. Any changes to legislation, commissioner updates and funding body requirements are communicated through weekly bulletins with documentation and guidance on the Provider Portal.

### 3b) Quality Assurance and Compliance

**learndirect** has worked hard to ensure its quality assurance and compliance arrangements are robust and fit for purpose. A risk-based approach is used, using an individual Supply Chain Partner's contracts, volumes of activity and geographical spread.

As a minimum Supply Chain Partners confirmed that they had quarterly quality reviews with members of the **learndirect** Business Improvement Team, but in most cases these reviews take place much more frequently and can include file checks, observations of tutors, coaching, training, reviewing paperwork and the sharing of information.

Quality reviews are conducted with Supply Chain Partners using the most relevant framework applicable to delivery, e.g. PAT or Ofsted. Supply Chain Partners described how they believe there is now better synergy between performance – managed by the Supply Chain Managers – and quality – supported and underpinned by the Business Improvement Team.

Whilst the majority of Supply Chain Partners found the quality assurance and audit process developmental and ‘fit for purpose’, a number shared their disappointment about the style and approach given to the initial oral feedback process which appeared to focus on the areas for development without acknowledging the areas of compliance or good practice. However, where areas for improvements had been identified, these developments have been taken on board with partners highlighting how, for example, their own observation process had improved, or equality and diversity training had been provided following a **learndirect** intervention. Quality assurance activity has also been used effectively to understand lessons learnt from **learndirect**’s direct delivery of Traineeships to provide detailed guidance and KPIs for Supply Chain Partners new to this programme.

- ▲ *"... monthly meetings to discuss EQA reports, observations of teaching and learning, IAG, paperwork."* - **learndirect**
- ▲ *"...traineeships – we have put together a process to help partners deliver what is needed – it’s not mandated but it will improve outcomes."* - **learndirect**
- ▲ *"...we run Master Classes following feedback from quality or audit."* - **learndirect**
- ▲ *"...the Business Improvement team meet and share the best practice they have picked up over the month and then share it through the Supply Chain Newsletter."* - **learndirect**
- ▲ *"...sampled 46 files – feedback 0% error, but focused on negatives in feedback."* - Supply Chain Partner
- ▲ *"...Portal provides a really useful road map for quality and compliance."* - Supply Chain Partner
- ▲ *"...audit was stressful, difficult and had to cancel a service date to do it."* - Supply Chain Partner
- ▲ *"...not sure about the feedback – a little negative – not balanced."* - Supply Chain Partner

The Provider Portal is a key vehicle used to keep Supply Chain Partners up to date with relevant and appropriate Information, Advice and Guidance (IAG), and key representatives across **learndirect** meet every 6 weeks to ensure that the information on the Portal is meeting expectations. Within the supply chain, IAG sessions are observed by **learndirect** to confirm or improve standards. Findings are recorded and shared to support continued development. **learndirect** and all SFA funded Supply Chain Partners hold accreditation against the **matrix** Standard, which reassures both **learndirect** and the SFA that relevant IAG is being provided.

- ▲ *"...we have worked with the supply chain on the design of the Portal and how they can find the information they are looking for."* – **learndirect**
- ▲ *"...**learndirect** helped guide us through **matrix**"* - Supply Chain Partner

- ▲ "...we really take an interest in ensuring the suppliers are offering good IAG to the learner throughout their time with them – IAG is so important to ensuring the outcomes and qualifications are achieved." - **learndirect**
- ▲ "...IAG is one of **learndirect's** strictest areas." - Supply Chain Partner

Supply Chain Partners confirmed that policies pertaining to the security of data, a healthy and safe working environment and the safeguarding of people at risk were all submitted to and scrutinised by **learndirect** as part of the initial due diligence process, and that they are reviewed formally at least annually throughout the lifetime of the contract.

**learndirect** is proactive in ensuring members of its supply chain have implemented their policies and processes pertaining to the security of data. It is also proactive in keeping the supply chain briefed about any changes made which might impact on them and their customers, such as the Government classification scheme which came into operation April 2014. Whilst contract requirements can vary, all DWP Supply Chain Partners are required to complete a Security Plan to ensure that they have appropriate controls in place for the protection of confidential information. A knowledgeable and approachable dedicated member of the **learndirect** team provides support, guidance and practical solutions to data security issues. **learndirect** holds ISO27001 and its auditors are ISO27001 lead audit trained.

- ▲ "...work with supply chain quite closely – support them by providing information, advice and training on security issues." - **learndirect**
- ▲ "...business continuity planning included in due diligence." - **learndirect**
- ▲ "...visit at least annually – but supplemented with Hadrian self assessment." - **learndirect**
- ▲ "...security issues are discussed at monthly meetings." - Supply Chain Partner

Health and safety policies and procedures are checked at due diligence and the annual refresh. Partners confirmed that incidents are reported to and investigated and managed by their Supply Chain/Network Manager, all of whom are IOSH trained, ensuring they have the relevant knowledge to identify areas of concern and adequately assess due diligence returns.

- ▲ "...we don't just look at the paperwork – we examine the locations and undertake risk assessments, even check their first aid kit." - **learndirect**

Two senior managers within **learndirect** are identified as a Designated Senior Person for all safeguarding matters and 'subject matter experts' operate out in the field with the supply chain. A clear reporting process is in place for any safeguarding incident, allegation or concern, with the initial reporting being through the **learndirect** Service Centre that has a dedicated 0800 phone number that is shared with learners. All Supply Chain Partners have their own safeguarding policies and provide **learndirect** with a self-declaration regarding policies, Disclosure & Barring Service checks for staff etc. every 12 months.

**learndirect** does not mandate that the staff of Supply Chain Partners undertake training, although it is actively encouraged.

- ▲ "...there are safeguarding champions within each (WP) partner organisation." - **learndirect**
- ▲ "...in-house E&D and safeguarding surpasses that required by **learndirect**." - Supply Chain Partner

**learndirect** has achieved and retained ISO 14001 accreditation and has worked with the supply chain to enable them to think through their own environmental suitability policies and processes, and to develop sustainability plans where these were not in place.

Two recent Webinars have been held for Supply Chain Partners on the topic of environmental suitability, and both were very well attended. In a recent push toward embedding environmental sustainability across the supply chain, staff across **learndirect** have gained a NEBOSH Award in Environmental Awareness at Work. This knowledge should enable them to further support the partners to set, monitor and embed environmental sustainability targets. Whilst Supply Chain Partners confirmed that they have provided their environmental suitability policies to **learndirect**, a robust approach to ensuring targets are set and embedded across the supply chain is still work in progress.

- ▲ *"...our onboarding process includes checking the robustness of the organisation's environmental sustainability policy."* - **learndirect**
- ▲ *"...is becoming embedded within the supply chain – policies and process all in place and checked."* - **learndirect**
- ▲ *"...we looked at our own sustainability policy based on the **learndirect** agenda. It formalised what we were doing."* - Supply Chain Partner
- ▲ *"...we have started to discuss this in our performance reviews."* - Supply Chain Partner

A number of Supply Chain Partners suggested after initial due diligence **learndirect's** checking of safeguarding, equality and diversity, environmental sustainability and health and safety policies reduced, and although these partners were in the minority, and evidence provided by **learndirect** suggests otherwise, **learndirect** needs to consider what actions it can take to ensure this perception is reversed.

Opportunities to identify and share excellent/good practice across the supply chain appear to have increased. All interviewees confirmed a collaborative culture focused on improving performance by the sharing of good practice. A range of examples were shared, including:

- ▲ Network Managers sharing ideas of best practice
- ▲ Provider Events used for sharing job outcome recording
- ▲ Sharing league tables
- ▲ Weekly Bulletins
- ▲ Visits to other providers to watch their delivery methods
- ▲ Sharing how to work well with Jobcentre Plus
- ▲ Learning from **learndirect** about the good practice identified through other funding streams.

Good practice ideas are also shared via Webinars, which are recorded so that Supply Chain Partner staff can watch them at a time when it's convenient.

- ▲ *"...we try and bring something new to every meeting – to share the good practice across the whole network."* - **learndirect**
- ▲ *"...our contract manager works very much with us and comes out to centres with me to share their expertise"* - Supply Chain Partner

### 3c) Honouring Commitments

Supply Chain Partners were able to confirm that contract negotiations were clear and open, and that their individual expectations have been managed effectively. For example, for the CWP tender, potential Supply Chain Partners were asked to indicate geographical areas in which they wished to deliver, and to identify the volumes they believed they could accommodate. This formed the basis for the indicative offer schedule. Prior to the announcement of the preferred bidders **learndirect** shared the detailed funding model with the bid partners.

Following award, supplier surgeries were held to provide the opportunity to discuss any areas or issues and firm up volumes and detailed geographical delivery areas. **learndirect** has maintained its approach to the different funding models available to Work Programme Supply Chain Partners which were agreed at the outset of the contract, with these arrangements still in place to date.

Contract variations are used with all Supply Chain Partners, for example when ASB delivery partners under-perform and others over-perform. For the Work Programme variations are used for a number of reasons, for instance as a result of information received from DWP, or when reducing volumes to support Supply Chain Partners that are not meeting performance targets.

- ▲ *"...we had problems with PRAP post-contract – **learndirect** took the decision to pay the providers even though DWP would not – it was a legacy of the merger."* - **learndirect**
- ▲ *"...Partnership Manager from **learndirect** put faith in our organisation to do a job and gave us the contract."* - Supply Chain Partner
- ▲ *"...made it easy – wasn't daunting – just discussions."* - Supply Chain Partner
- ▲ *"...formal proposal was put to the Board – non-prejudicial offer made."* - Supply Chain Partner
- ▲ *"...post-contract we are very satisfied."* - Supply Chain Partner

Partners confirmed that they are aware of **learndirect's** formal dispute resolution process – however, at the time of this assessment there were no formal complaints from the supply chain. Since the last Merlin assessment one Supply Chain Partner has raised an issue through the dispute resolution process. The issue was managed through to a mutually agreeable resolution and the Supply Chain Partner continues to deliver services for **learndirect**. Evidence suggests that issues are resolved at a local level directly, with representatives of **learndirect** who encourage the early flagging of any issues or concern from either party.

- ▲ *"...over the years we have only had one formal dispute with a member of the supply chain and that was resolved and we are still working with them today."* - **learndirect**
- ▲ *"...I wish our other Prime was as robust and as transparent as **learndirect**. They have opened my eyes to the shortcomings of our other Prime."* - Supply Chain Partner
- ▲ *"...they can get a bit defensive but I am happy to say when I don't think suggestions will work for us, and they do listen."* - Supply Chain Partner

**learndirect** senior managers stated they would fully respect decisions made as a result of the Merlin Mediation Service, if **learndirect** had been deemed to have not acted in accordance with the principles of the Merlin Standard. Supply Chain Partners generally thought the Merlin Mediation Service was a good idea in principle but did not foresee the need to use it based on the receptive nature of **learndirect**, who seem to resolve complaints promptly as and when required.

Strong, relevant and robust processes, underpinned by consistent and frequent communication channels, ensure that all parties are aware of each other's expectations.

Expectations are reinforced through pre-contract discussions, clear contracting processes, and the clarity of the overall performance expectations of the programme(s) being delivered, all supported by guides, Webinars and the Partner Portal.

- ▲ *"...the Partner Pack gives all the information needed, although it is being revamped to refresh it."* - **learndirect**
- ▲ *"...we know what **learndirect** expect – it's early days in our relationship but we are moving towards formalizing it with an SLA and know how to get there."* - Specialist Supply Chain Partner

### 3d) Performance

**learndirect** has fostered an appropriate culture and ethos amongst its Supply Chain Partners, who work well together for the benefit of the customers on programme. Engendering collective responsibility for performance is the main aim of the variety of forums and network meetings which **learndirect** facilitates across the supply chain. For example, two ASB Supply Chain Partners shared their knowledge on how to track job outcomes with other members of the ASB supply chain, since then the number of jobs recorded across has increased from 4% to 11%. Moving forward, there will be greater opportunity for collaboration across as well as within the contracts held.

- ▲ *"...x (employer) want to deal with one Prime organisation so we collaborated with partners across the network to ensure we could meet their needs."* - **learndirect**
- ▲ *"...we collaborate across the network to ensure the contract targets are achieved."* - Supply Chain Partner

All Supply Chain Partners appear very clear about performance expectations. Key performance indicators and contract profiles are fully explained and understood, and weekly, monthly and quarterly review mechanisms are in place to ensure that any performance issues can be raised, discussed and – where necessary – improvement plans introduced. For example, Supply Chain Partners confirmed that they value the transparency of performance reports provided by **learndirect** and have benefitted from regular reviews of performance both individually and jointly as a network. Examples of innovation are identified especially when a new Supply Chain Partner joins the network, and can offer a different way of working which can support both **learndirect** and the network's existing delivery. Relationships with a number of **learndirect** staff were celebrated by Supply Chain Partners because of the flexible and supportive nature of the relationship, including when raising and discussing performance.

- ▲ "...monthly performance review used to discuss KPIs, process, claims, employer engagement, quality, security, feedback, grievance, best practice... there is a set agenda." - **learndirect**
- ▲ "...achievement rates, starts and financial drawdown are key indicators of performance." - **learndirect**
- ▲ "...a performance improvement plan is designed to improve performance, not to exit a partner from the supply chain." - **learndirect**
- ▲ "...**learndirect** was quick off the mark when we (SCP) were under-performing. It was a knee-jerk reaction and not that supportive. The emphasis was on how serious the error was." – Supply Chain Partner
- ▲ "...we are supported to hit goals. Performance is always discussed. We are sent league tables." - Supply Chain Partner
- ▲ "...they work with us and help identify clear lines of activity." - Supply Chain Partner

A number of MI systems are in place across the different contracts - Maytas, BOND and Tracker being commonly mentioned by members of the supply chain. BOND was an industry system tailored to **learndirect**'s own requirements. However, despite investing considerable monies on software it is still not 'fit for purpose', so project Leo is underway to consult and engage with the supply chain about a new MI system that will meet the needs of all suppliers across all contracts. Supply Chain Partners confirmed they were aware of project Leo, and a number described how they were being involved in trialing key aspects of the system. Despite the limitations of BOND, all Supply Chain Partners described how they are able to access appropriate MI, including daily information, monthly league tables, ad-hoc reporting etc.

- ▲ "...BOND has its limitations but we have the Master Tracker working." - **learndirect**
- ▲ "...the Tracker is the MI system." - **learndirect**
- ▲ "...project Leo is the next generation of MI." - **learndirect**
- ▲ "...we publish results for whole network by payment group, by centre and by site." - **learndirect**
- ▲ "...although we upload data onto BOND we cannot pull reports from the system." - Supply Chain Partner
- ▲ "BOND is not fit for purpose. It doesn't flow within the customer journey." - Supply Chain Partner
- ▲ "...we are involved in testing the new system (Project Leo) which will probably be introduced at the end of the year." - Supply Chain Partner

Examples of value for money shared by **learndirect** include obtaining reduced travel costs for all learners using First and Stage Coach transport across the UK.

A key aspect of value for money within the ASB contract is that funding is moved on a monthly/quarterly basis to ensure that the SFA contract requirement is achieved. Some Supply Chain Partners deliver multiple contracts and **learndirect** is moving to a management by supplier approach. This reduces the number of contract performance reviews, and the amount of 'time out' for partner staff – thus having a positive impact on those members of the supply chain in terms of a reduction in time and resource. However, **learndirect** needs to define with its Supply Chain Partners how value for money is identified and what measures can be used in demonstrating value for money – for the customers of Work Programme particularly.



- ▲ "...**learndirect** is in the top percentile. They are our best partner and give added value." – Supply Chain Partner
- ▲ "...at Partnership meetings we are discussing economy efficiencies in procurement. Examples are photocopy rental, IT Equipment, stationary." - Supply Chain Partner
- ▲ "...job outcomes is one of our key deliverables giving value for money." - Supply Chain Partner

Supply Chain Partners provided various examples of how outcomes and distance travelled by customer are measured. Some described how progression data had been shared and that it would be very useful if this was built into the ongoing performance strategy/process.

Others explained how client files are used to document the customer journey and how different reports give programme starts and finish dates etc. Processes vary depending on the contract requirements, and this might be something that can be streamlined as the move toward supply chain management by Supply Chain Partner not contract moves forward.

- ▲ "...file monitoring logs the learner journey – the assessments and contact points are all logged." - **learndirect**
- ▲ "...Work Programme use BOND for learner management and tracking." - **learndirect**
- ▲ "...ASB use the Learning Support Environment to log the learning journey." - **learndirect**
- ▲ "...we've got the tracker and get data weekly on a Monday – but then we do our own." - Supply Chain Partner

### 3e) Promoting Diversity and Equality

**learndirect** has an Equality and Diversity Vision which sets out its commitment to treating everyone fairly, and to respect and value the diversity of all learners, customers, staff, suppliers, partners and all other people it works with. There is an expectation that all members of the supply chain will mirror this vision in their own policies and processes. Through the design of its supply chain, **learndirect** has developed close working relationships with a wide and diverse range of organisations, including small voluntary and community-based organisations as well as organisations established initially to meet the specific needs of a particular ethnic minority group of customers. Supply Chain Partners confirmed that the alignment of policies and practices was an integral part of the initial due diligence process, and its high profile for them and **learndirect** is maintained through, for example, consistent review of equality and diversity impact measures (EDIMS).

Through observation of tutor-led courses equality and diversity is assessed and observed, to see how policies are reflected in the learning process. Demographic reporting of learner surveys enables analysis of learner satisfaction by learner group, to identify any variation in satisfaction levels.

To support supply chain staff development and training, a range of best practice guides have been produced by **learndirect**, including an EDIMS guide and a resource pack and information on how to embed equality and diversity into delivery practice. **learndirect** has also made its e-learning available to Supply Chain Partners should they wish to use it for their staff.

Information on age, gender, ethnicity and disability/learning difficulty is collected and analysed, and used to monitor the participation and (where applicable) performance of these groups. Various examples from Supply Chain Partners across the network were shared of how data had been used to make changes in provision.

- ▲ "...we compare the learners with the demographics of the area in which the centres are operating to ensure they are attracting the right mix of learners." - **learndirect**
- ▲ "...age, ethnicity, gender, disability data all collected and then analysed by outcome to ensure it is representative." - **learndirect**
- ▲ "...for example more men than women are getting into jobs, so looking at options of how to level this through employer engagement." - **learndirect**
- ▲ "...strong on capturing target information." - Supply Chain Partner

## 4 Review

### 4a) Supply Chain Review

The level of feedback sought by **learndirect** from learners is considerable, and is proactively used to give feedback to Supply Chain Partners on their performance. It can also be used to drill down to give individual tutors feedback from learners. Customer surveys also include Supply Chain Partner staff (managers and delivery staff) and employers, to measure services offered by the supply chain and **learndirect**.

The Customer Voice Report pulls together information from surveys, contact centres and complaints to identify trends. Feedback is also gained from external stakeholders, for example political party ministers, Local Enterprise Partnerships, Local Authorities, employability networks, Jobcentre Plus, ERSA, DWP Contract Monitoring Offices/PRAP, SFA and other audit and inspection/assessment bodies - such as **matrix**, OFSTED and Investors in People. The feedback is embraced and utilised to inform and improve practices.

- ▲ "...we are a data-rich organisation so can look at trends locally and nationally and take action accordingly." - **learndirect**
- ▲ "...we ask if the supply chain is working – if it is still fit for purpose based on the changing needs of our customer groups." - **learndirect**
- ▲ "...learner satisfaction is as good as it's ever been even though the number of mandated learners has increased." – **learndirect**

The concept and use of self-assessment reports (SAR) varies across the supply chain. Within ASB provision the process is well established and well embedded. Within Work Programme provision it is still a relatively new concept for some Supply Chain Partners. Therefore Webinars and one-to-one sessions have been provided to support the production of relevant and timely documentation, which is used to support quality improvement plans and activities. All individual provider SARs are pulled together in to an overarching **learndirect** document which supports continuous improvement across the organisation and supply chains. In the future, consideration could be made to identifying and involving additional stakeholders, for example Tier 3 and 4 partners, customers, etc.

- ▲ "...process is well embedded within the ASB supply chain." - **learndirect**
- ▲ "...we ran one-to-one sessions and webinars for Work Programme partners." - **learndirect**
- ▲ "...our SAR/QIP (template) feeds into the **learndirect** SAR which is shared." – Supply Chain Partner

**learndirect** works closely with key commissioners and sector-based organisations to shape wider policy and objectives. To support sharing of strategic and policy information **learndirect** uses various forum meetings, and shares information which focuses on local trends emerging from customers/employers and intelligence from stakeholders.

Supply Chain Partners are kept informed of the wider social policy objectives of the commissioners via their interactions with **learndirect**, weekly email communications, Webinars, and through their supply chain meetings and conferences. For example, each year **learndirect** provides comprehensive content to help Supply Chain Partners delivering SFA contracts prepare for the next funding year, this content including clarity on the wider policy and strategic aims of the commissioner. Key strategic suppliers are invited to meet with **learndirect** to help shape responses to SFA strategy change and how this should be translated.

- ▲ "...qualifications that get people into jobs is the SFA line, so the soft target has made this real for the supply chain." - **learndirect**
- ▲ "...it's clear that Apprenticeships should grow – we are working on wider priorities." – **learndirect**

From the very outset all **learndirect** supply chains are designed to support the achievement of critical success factors (CSFs) pertinent to each contract. These CSFs support the achievement of the commissioners' objectives and policy intent. All suppliers are managed to ensure critical success factors are delivered. For example the **learndirect** apprenticeship supply chain is evolving and responding to priorities and social objectives set by BIS/SFA.

- ▲ "...of the additional objectives (from DWP), three are obvious and we have a direct impact on them" – **learndirect**
- ▲ "...we have set the ASB supply chain a soft target of 6% job outcomes event though they are not required by the commissioner." – **learndirect**
- ▲ "...we know the importance the Government is putting on traineeships so we are encouraging our partners to do more on this so they are geared up to deliver." – **learndirect**
- ▲ "...we are better placed to be gathering the data from learners on job outcomes." – Supply Chain Partner
- ▲ "...it's necessary, and good to demonstrate impact." – Supply Chain Partner
- ▲ "...more emphasis on measuring Job Outcomes." – Supply Chain Partner

The Supply Chain Management Framework stage 6 focuses on the review of the supply chain, which ensures it evolves to meet the changing needs of the commission/funding body and current and future needs of learners/customers. For the Work Programme a number of improvements have taken place as a result of annual reviews.

Review and improvement strategies continue to evolve as SFA priorities change and **learndirect** uses its research and insight team to inform key measures at contracting procurement, e.g. new traineeship and job outcome targets introduced.

- ▲ *"...we now attract new migrant workers from thirty-two different nationalities. Innovation ensures English for native speakers is delivered effectively by starting with the maths course. Learners tune their ear to English before they start that part of the course"* – Supply Chain Partner
- ▲ *"...there is going to be a separate update for business leaders around policy and market."* – Supply Chain Partner

Partners believe they make a positive impact on external stakeholders and encourage people's/employee well-being by providing a holistic service to customers and moving people closer to the labour market through a range of interventions – for example, development of Curriculum Vitae and covering letter, increasing self-confidence, identifying and addressing mental and physical health related issues, etc.

Information is provided in Centres to promote safeguarding and wellbeing and put it in areas where people can feel comfortable self-assessing, e.g. crisis care information in toilets.

Whilst Supply Chain Partners have supplied their environmental suitability policies to **learndirect**, consideration could be given to developing a robust approach to ensuring targets are set and embedded across the supply chain.

- ▲ *"...**learndirect** tackles under-referring JCP staff and advocate on behalf of supply chain."* – Supply Chain Partner

## Conclusion

**learndirect** has exhibited behaviours that demonstrate significant strengths and areas of best practice in relation to the requirements of the Merlin Standard.

The approach taken by all staff of **learndirect** to continue to build effective, professional and open business relationships with the delivery network is to be applauded. As one Supply Chain Partner said, *"...I rave to friends about an excellent company that shares information openly and honestly. I am made to feel that my views are important."*

The move to developing an integrated supply chain management team will ensure an embedded consistent approach to contract delivery across the network.

- ▲ *"...one team to manage the supply chain so there are consistent approaches and resources used throughout – our aim is consistency."* - **learndirect**