



**merlin**

promoting supply chain excellence

**Assessment Report**

**For**

**A4E LTD**

By Andy Richardson

On behalf of emqc Ltd

Assessment Dates: 19/05/14 – 22/05/14

# Contents

About the Organisation .....	2
Assessment Methodology.....	2
Assessment Outcome .....	3
Strengths .....	3
Areas for Improvement.....	5
Areas Requiring Further Development .....	8
Assessment Findings .....	8
1 Supply Chain Design.....	8
2 Commitment .....	9
3 Conduct .....	15
4 Review .....	23
Conclusion.....	25

## About the Organisation

A4e provides, as part of the Department for Work and Pensions (DWP) Welfare to Work programme, services designed to return the longer term unemployed back into sustainable employment.

Services offered include the Work Programme (WP), Jobcentre Plus Support Contract (JCPSC) and Mandatory Work Activity (MWA) and A4e, through its centres in the East Midlands, the North East of England and Merseyside, Halton, Cumbria and Lancashire provides practical training for many job functions and tailored support to help unemployed people back into sustainable employment. These centres are supported by an extensive supply chain, driven by Tier 2 end-to-end providers, who work alongside A4e's own direct delivery provided through its centres. Supporting A4e's own direct delivery are a large number of specialists, referred to throughout this report as Specialist Intervention Partners (SIPs), whilst the Tier 2 Supply Chain Partners (SCPs) are in turn supported by the more traditional Tier 3 specialists. This group of SCPs is referred to as Tier 3s throughout this report, in order to differentiate between the two groups.

A4e has over the last two years experienced significant organisational and cultural change, leading to the creation of a new division, focussed entirely on supply chain partnerships. The purpose of these changes was to create a wholly more relationship centred approach to service delivery, through improving communications, creating greater opportunities for collaboration and taking a partnership-based approach to improving performance across the supply chain.

A4e are recognised as Bronze Award holders of the Investors in People Standard and are accredited as a **matrix** organisation,

## Assessment Methodology

This assessment is A4e's second assessment against the Merlin standard, having been first assessed in May 2012. The scope of the assessment was based primarily on A4e's Work Programme contract, though also factored in the Organisation's wider range of work, including their approaches to enterprise development, skills and training, training to support the reduction of re-offending and the provision of advice centered on finance and independent living.

The team comprised of Andy Richardson (Lead Assessor) and two team assessors: Kim Howard and David Folland.

At an initial planning meeting between the Lead Assessor and senior representatives of A4e, including the person acting as Coordinator for this Merlin assessment, a sample of SCPs were identified that suitably reflected the make-up of A4e's supply chain. From this sample, the Coordinator created schedules for each of the assessors, modified marginally over subsequent weeks to accommodate the availability of individuals.

During the assessment, assessors reviewed a diverse and substantial range of evidence, including written documentation and electronic systems. This was supported by face-to-face and phone interviews with representatives of A4e, including the direct delivery offices and the Tier 2 and Tier 3 SCPs and SIPs within the three Contract Package Areas (CPAs) covered.

Each assessor completed the schedule of interviews over the first three days of this assessment, convening on day four to share findings and agree scorings for each criterion within the Merlin standard. These detailed findings were provided to A4e's management team, including the Group Partnership Director and the Partnership Director, at a feedback session on the afternoon of the fourth day. This feedback included the final outcome of the assessment, as well as providing an overview of the key areas of strength and areas for consideration when it comes to continuous improvement moving forward.

## Assessment Outcome

Overall %	81%
Overall Outcome	Good
Supply Chain Design	Excellent
Commitment	Good
Conduct	Good
Review	Good

## Strengths

A number of 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 Design***

- ▲ Supply chain design has been shown to be of a high standard throughout all criteria of Principle 1. The scope and range of A4e's provision and its links with wider networks has allowed for some very effective relationships to be established with local councils, employer networks, the Employment Related Services Association (ERSA), voluntary and third sector organisations and major pre-existing providers, enabling a diversity and depth to its provision.

In particular, the use of pilots at a number of stages of securing a feasible supply chain has proven to be effective, establishing as they have the viability of propositions. It will obviously serve A4e well to maintain such alliances moving forward as these will play a major part in future stakeholder analysis and supply chain review. (1a.1, 1a.2 & 4a.1)

### ***Communications and Relationships***

- ▲ Good up-front communications, through presentations, group discussions and one-to-one dialogue, enabled prospective SCPs to see exactly what was on offer through the contract in a transparent fashion.

This included helping them to understand the processes, relationships and reporting lines throughout the supply chain and SCPs in particular commented positively on the support available through the Supply Chain Managers (SCMs) as part of the onboarding processes. Several SCPs (both Tier 3 and SIPs) commented that they have found there to be a much more open and flexible approach to the relationships, giving rise to a more partnership orientated culture that better addresses the needs of individual SCPs.

- ▲ Nor are the positive relationships experienced confined to the supply chain; A4e's relationships with other Prime contractors has enabled them to enter into joint working agreements, for example in presenting a cohesive approach in working with the health services.
- ▲ The training provided to SCPs is equally worthy of note with several partners commenting on the effectiveness of the subject matter and its delivery. Examples here included safeguarding, equality and diversity and data security. (2a.1, 2a.5 2b.3)

### ***Contracting & Funding***

- ▲ All SCPs commented that they have found the contracting processes to be open and transparent and geared towards their particular needs wherever possible. All pre-contracting terms agreed with the SCPs had been honoured in the final documentation and any variations had been negotiated and agreed between the respective parties. (3c.1)
- ▲ The transfer of funds throughout the supply chain network was favourably commented upon by all SCPs interviewed. Any delays in payment were fully briefed and there appeared to be a collegiate approach to resolving any issues. In some cases there was evidence of A4e absorbing financial liabilities, rather than passing them on to the supply chain, for example with extrapolation costs. (2c.7)
- ▲ The management fee also appears to have been clearly explained in terms of purpose and level and options for both this and for the payment terms have been discussed and agreed with the SCPs. (2c.8)

### ***Performance Management***

- ▲ The effective communications and positive relationships also support a robust approach to performance management of the supply chain, allowing for effective resolution of any problems arising. These mechanisms support clear performance expectations and all SCPs are clear as to the expectations that A4e have of them and that they can reasonably expect from A4e in turn. (3d.2 & 3d.3).

### ***Other***

- ▲ Whilst early days, the assessment team found that initial endeavours made in respect of diversity, equality and environmental sustainability have established an effective beachhead from which to move forward in a concerted fashion.

The benchmark data gathered and analysed to date should stand A4e in good stead moving forward, though it is too early to determine impact at this stage. (3b.6 & 3e)

## Areas for Improvement

The following areas have been identified as opportunities for A4e to improve and develop its approach to supply chain management. The comments should be seen as recommendations only and are not to be considered as 'mandated' in any way. It should be noted that the next Merlin assessment will review the Organisation's approach to these areas in order to establish progress as appropriate.

### Supply Chain Design

- ▲ Recognising that some aspects of A4e's provision is targeted at certain aspects of the wider social objectives of the commissioner, for example unemployed into work, poverty and criminality, there maybe options to extend the design of the supply chain to look at health issues, environmental sustainability and homelessness. This will then help to establish baseline data against which evaluation in the future can take place.  
(1a.1, 4a.4 & 4a.6)

### Commitment

#### ***Collaboration, Cooperation and Communications***

- ▲ Whilst very effective relationships exists between A4e and the SCPs, a small number of those partners interviewed commented that they felt more could be done to encourage collaboration and to 'consult' with the SIPs and, in particular, the Tier 3s. This would help broadened at the range of views having input into the design and development of systems and processes.
- ▲ It is clear that the supply chain works together in a very effective manner, however it became apparent during this assessment that benefits could be gained from creating additional opportunities for SCPs to collaborate, even where this does not include A4e directly.  
(2a.2 & 2a.3)

#### ***Developing Supply Chain Partners***

- ▲ Recognising that examples exists of where A4e staff have aided and supported the strategic development of some SCPs, there is a general feeling that this could be further reinforced where appropriate, especially for the Tier 3 and possibly the SIPs, as these could well become the Tier 2s of the future.

Allied to the development of SCPs is the opportunity to raise their awareness of the various funding streams that come available from time to time, either from within or outwith the welfare to work sector. In some cases, the local councils are awarded monies that supply chains could bid for if they are made aware of the opportunities.

Here it is recommended that A4e act as 'facilitator', rather than 'activist' by helping SCPs to be aware of funding that A4e itself may not necessarily want to access directly.

- ▲ Whilst A4e carries out robust due diligence checks and financial viability checks on its own SIPs, it appears to be a little less robust for Tier 3s that are working to other Tier 2 SCPs and not A4e. It is therefore recommended that all Tier 3s have at least a basic credit check done to establish that they will prevail for a reasonable period of time and not have to withdraw from the supply chain at the first economic hurdle.  
(2b.1, 2b.2 & 2c.2)

### ***Contracting & Funding***

- ▲ Discussions with A4e clearly demonstrate a rationale for the allocation of market share that sees A4e delivering a percentage of the provision directly themselves. What is evident however in discussion with the SCPs, is that they are less clear on this rationale. It is recommended therefore that A4e makes market share more transparent to delivery partners at all levels.  
(2c.4)

## **Conduct**

### ***Quality Assurance and Compliance***

- ▲ With direct communication and reporting lines, SIPs are able to collect and collate data regarding customer experience at the point of delivery and share this with A4e. What is less clear however is the robustness of equivalent processes for the Tier 3 SCPs. Having a more robust process to capture customer experience could help to develop a better understanding of the customer journey that takes place beyond the immediate control of A4e. With Tier 3s and SIPs offering a degree of the information, advice and guidance available, it is also recommended that the senior team consider how quality IAG can be more robustly and comprehensively assured at this level.  
(3b.1 & 3b.3)
- ▲ Discussions with A4e's specialist in regards to environmental sustainability revealed that some good early work has been done. The report to senior management has identified some excellent parameters against which to measure progress and performance in the future. It is therefore recommended that these parameters that include carbon emissions, business mileage and energy consumption be rolled out across the supply chain in the form of specific targets to be achieved. These simple measures will help A4e to describe in real terms the impact that the supply chain in all its forms is having on environmental sustainability and allow for ongoing monitoring to take place.  
(3b.7)
- ▲ In discussions with SCPs regarding best practice, it became evident that no clear definition has been shared throughout the supply chain. As a result, SCPs gave many and varied examples of what best practice might look like. It is therefore recommended that A4e provides a clear definition of what 'best practice' is in relation to the contract being delivered and that a definition for 'excellent' also be developed.

This should help to identify best practice where it exists and create a framework for discussions at the various supply chain meetings.

(3b.8)

### ***Performance***

- ▲ 'Innovation' can often be one of those nebulous subjects that people have a personal view of, based on their own experiences. It is recommended that processes be put in place that enables A4e to discuss the nature and definition of innovation as it applies across the supply chain. It is further recommended that this definition be generated in consultation with SCPs, as this will help to reinforce and embed the concept. An example of how innovation can be brought to bear for the benefit of the supply chain is in the development of a Minimum Service Level dashboard. The new management information system provides suitable functionality and the data that this can produce will help the supply chain to monitor and compare performance in this vital area.

(3d.2)

- ▲ The perception of what represents Value For Money (VFM) is currently left to SCPs to determine. In reality, this forms a key part of the 'decision to buy' and it is recommended that A4e sets out to more clearly define what it sees as VFM for all principle stakeholders, including the commissioner, the service user and the SCP, as well as for A4e. This clear picture should then be communicated to the supply chain in a consistent fashion over the next few months and again this could help inform decisions going forward. A clear message on how the contracts and the options represent VFM would also help to attract new SCPs as embryonic supply chains are assembled for any future contracts awarded.

(3d.5)

- ▲ In discussing demonstrable outcomes and personal improvements for customers (distance travelled), it became evident that SCPs have still to get to grips with this aspect of the new management information system. This then could be an area of development to be built into the regular performance reviews.

(3d.6)

### ***Promoting Equality and Diversity***

- ▲ It is evident from some recent work that A4e recognises the need to reinforce the analysis of Equality and Diversity (E&D) data collected across the supply chain from a central point of view. The capacity to compare E&D statistics against local and regional demographics will help to reinforce provision and enable SCPs to monitor their own performance and adjust programmes and processes accordingly.

(3e.3)

### **Supply Chain Review**

- ▲ With the supply chain having been developed to meet the wider needs of the commissioner, it is strongly recommended that A4e look to establish more *measurable*



data on the impact activities are having on these social objectives, in particular Environmental Sustainability.

A4e have made some good progress in setting itself targets to achieve in this latter respect and driving these down to all SCPs will help them to identify their own contributions, as well as allowing A4e to create a corporate view. It would also be prudent to look to other wider stakeholders to gain impact data, for example the National Housing Federation for homelessness data, NHS trusts for data on the impact on health and wellbeing and the judicial system for data on criminality, etc. (3b.7, 4a.3, 4a.4 & 4a.6)

## Areas Requiring Further Development

As A4e has met the Standard, as described in the Section 'Assessment Outcome', there have been no areas for development identified as requiring immediate action in order to gain accreditation. However A4e should consider the above Section 'Areas for Improvement', in order to continue to seek excellence in all their supply chain management activities.

## Assessment Findings

### 1 Supply Chain Design

#### 1a) Supply chain design

The scope and variety of the supply chain was found to be of a high standard with a good representation of public, private and third sector organisations forming the network used to deliver services. This use of a diverse range of delivery partners, including national associations and other Prime contractors, enables the commissioner's objectives to be addressed effectively, for example in the areas of employability, health and well-being, criminality and financial hardship.

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

There is clear evidence that A4e undertook research and consultation regarding local demographics and existing supply chains and delivery models, as well as employer and customer needs. In addition to an analysis of their own experiences in delivering a range of contracts, this research consisted of discussions with various Local Authorities, government departments, existing providers, Job Centre Plus, Local Enterprise Partnerships (LEPs), ERSA and other key players in the areas covered by the various contracts. Particularly worthy of note are the relationships with the other Primes in the London area and successfully presenting a coordinated approach in working with a major transport provider with regards to job vacancies.

Initially, some 200+ SIPs entered the supply chain in order to cater for the volume and diverse needs of customers coming forward. This number has gradually reduced over the previous three years and now sits at around half the original, due in the main to falling referrals.

In order to determine the contribution that new SCPs bring to the supply chain, SIPs are now appointed on the basis of a three or six months trial period. Not only does this enable A4e to determine the suitability of the new partner, it also helps to evaluate the need for the provision within the supply chain, thereby aiding supply chain design.

**"I know the numbers have dropped off (referrals) over the last couple of years, but the supply chain I think is meeting the needs of the customers out there" (Tier 2 SCP)**

**"I know they have their money advice service and they're doing work looking at reducing re-offenders. If you look at the supply chain and listen to their managers, you can see that they are looking to meet the wider social values". (Tier 2 SCP)**

Over the course of the contract thus far, there is evidence of an evolving supply chain and examples were provided of a small number of new SCPs being brought in to the supply chain to reinforce and enrich the range of provision on offer, for example to provide end to end support for people with disabilities and to cater for the needs of ex-offenders. Research by A4e has also shown where the highest concentration of single parent families, workless families and over-representation of black and minority ethnic unemployed people are situated throughout their CPAs and this is reflected in their provision across the supply chain.

A4e is also able to identify a number of organisations outside its own supply chain that are used to provide further support of a more specialist nature and this was confirmed in some of the discussions with SCPs. Examples here include: Job Centre Plus, housing associations, families associations, borough and district councils and various NHS trusts and medical support groups.

## **2 Commitment**

### **2a) Collaboration, cooperation and communication**

The procurement processes for SCPs within A4e were found to be highly effective and transparent. SCPs commented that they found the communications throughout the procurement process to be of high order and that there are good links to established best practice, for example the weighting of questions. The communication processes included a number of presentations and workshops for all interested parties, together with emails, face-to-face discussions with existing networks and individual organisations.

Opportunities to engage with A4e have been posted on their own web site that links to a dedicated partner web portal and meetings with the Regional Business Development Managers (RBDMs) keep SCPs up to date with emerging developments.

**"The up front communications were really good and we went in to the contracting with our eyes wide open." (SCP)**

**“I went along to some briefing sessions. These covered stuff (sic) like the funding and payment side of things and data security, which they’re really big on here. I thought the communication was clear throughout”. (SCP)**

Following discussions and negotiations and in advance of the formal contracts being issued, A4e issue a ‘letter of intent’ that summarises the agreed outcomes and performance measures. Following procurement, communications continue to be good, with SCPs citing discussions with their Partnership Team and quarterly quality and compliance audits, ongoing emails and networking events as effective at all levels. SCP ‘Good Practice’ meetings in particular received very positive comments, with SCPs commenting that they found them to be open, honest and effective at challenging processes and identifying good practice currently in effect. There is sense that Tier 3 SCPs are somewhat ‘out of the loop’ when it comes to communications from A4e and this then may be worthy of further investigation by the A4e SMT.

Discussions with unsuccessful supply chain applicants as part of this Merlin assessment indicated that they have been offered the opportunity to get feedback regarding their application should they wish.

A4e has certainly proved to the satisfaction of its SCPs that they listen and act on what they hear through the range of feedback opportunities and the ‘strengths’ section of this report identifies a more collegiate approach to managing relationships that now exists.

Examples of feedback and consultation opportunities include Expert User Groups, Regional Supply Chain forums, Monthly Performance and Provision Reviews (MPPRs), Insight Based Management and monthly briefings. This consultation has impacted on many aspects, including training to better meet the needs of the SCPs and their staff, the application of DWP changes across the supply chain and the development of the ‘black box’ approach to best meet the needs of SCPs.

**“Connect 4 Work (the MI system) has developed a lot over the last few months as a result of the comments we’ve made”. (SCP)**

**“We’ve had visits to other providers to see how they are doing things and we’ve made some suggestions to A4e as a result. I’ve got to say, they’re pretty open to suggestions and you feel the consultations are genuine”. (SCP)**

There are many examples of SCPs working and collaborating for mutual benefit and the visits mentioned above are a clear indication of this. There are also examples of A4e working with other Primes, for example in the work with the London transport organisation and in endeavours with health based organisations. “Best Practice” meetings are well received by SCPs as a vehicle to collaborate and have open participation and many commented on the participative efforts taken to develop the Partnership Charter. Other examples include the sharing of vacancies, changes made to the frequency and design at feedback, the national use made of the Money Advice Service and the use of the Strategic Partner Group forum consultation at national level.

**“It’s a lot more participated now than it used to be and is not as prescriptive as the other programmes we’re involved with”. (SCP)**

**“ I do actually feel that A4e genuinely encourages to collaborate for the benefit of the customers” (SCP)**

Whilst these cases exist, there are fewer examples evident of Tier 3s & SIPs being consulted or collaborated with for the benefit of the supply chain and this is may be worthy of further consideration going forward.

All those SCPs interviewed within this assessment were clear as to the business relationships underpinning supply chain arrangements now in place and there was no ambiguity evident. All Tier 3 SCPs operate under a Service Level Agreement (SLA), whether they contract with A4e directly through one of their delivery centres (SIPs), or through one of the Tier 2s.

**“The regular reviews and meetings make it very clear as to the business relationships and where you stand in the supply chain”. (SCP)**

With very effective working relationships in place at both senior and operational levels, the cascade of information was cited by all SCPs to be good, though around 10% commented that communications can often be repeated 3 to 4 times through different communication vehicles. In addition to face-to-face discussions, for example at the monthly performance reviews and the quarterly audits for quality and compliance purposes, A4e has introduced a number of guidance and support materials, for example weekly roundups and ‘Huddle’, to help keep SCPs up to date with a wide range of developments and emerging issues. Alongside this run the daily and weekly email and phone contacts.

All SCPs questioned commented that they found the communications to be open and honest, with some commenting on the ‘belt and braces’ approach taken by A4e. Some SCPs commented however, that communications and systems to support communications can sometimes be “overly complicated” and “quite bureaucratic”. Despite this, many SCPs commented that communications have improved over the last couple of years or so, citing the new management structure, the work of the Partner Managers and the introduction of various new processes as major contributory factors.

**“The IT helpdesk I found particularly useful in helping us to resolve some of the issues with Connect4Work”. (SCP)**

**“The partner meetings are a good place to discuss any ideas or concerns we might have about either the contract or its delivery. A4e are very good at picking up these issues and taking them forward though sometimes we don’t get to find out what the outcome was”. (SCP)**

## **2b) Developing supply chain partners**

With existing providers coming into the supply chain to deliver these contracts, many are already well established and at an advanced state of organisational development, requiring little in the way of further development by A4e. That said, A4e did provide examples of working with their Tier 2 SCPs in order to help build capacity and to develop strategically. In

one case, an SCP received hands on support to develop as a fully functioning Tier 2 provider and several SCPs commented on the introduction of Employer Solutions being as a direct result of SCPs requesting more details around employer information in order to build capacity.

**“We are using teams to work more efficiently and it has enhanced our service as we have more time – this came from an idea from a4e”. (SCP)**

For others at Tier 3 and the SIPs however, encouragement and support has been less forthcoming and this remains an area where further development by A4e could bring dividends, for example in identifying potential SCP failure earlier than that indicated by any financial 'Red Flag', as often, this is too late to effect a remedy.

There is some evidence to show that additional funding streams have been brought to the attention of SCPs, e.g. through the Partner Support Packs that carry contact details for major funding streams. Several SCPs commented that they had been able to identify alternative funding streams of their own accord and in some cases they had shared this with other members of the supply chain. There was also some evidence to suggest that not all SCPs, especially at Tier 3 and the SIPs, are learning of the additional funds available and additionally that local funding may be on offer, for example from local councils. This then is an area worthy of further exploration.

In regards to developing the staff within the SCPs, there are many examples of training being offered, in the main associated with systems and processes, but also including safeguarding, equality and diversity and data security.

The training offered thus far has been without cost to the SCPs and has been delivered either by A4e's own training staff, or by drawing in internal specialists as required, for example to brief on data security issues. There are also examples of A4e providing coaching and a mini training sessions to help SCPs to fully understand processes and staff from both SCPs and A4e have met up to share experiences. The Expert User Group sessions are worthy of particular note and can be deemed as 'best practice' in their own right in terms of sharing learning and development. SCPs are also actively encouraged by their Relationship Manager to raise areas where they considered that their staff would benefit from training or development activity not already planned by A4e.

**“They use their own guest speakers from within a4e [at partnership training]. We've picked up loads from A4e good practices”. (SCP)**

**“They've introduced e-learning as an option and that looks like it should help us a lot. They also do a fair bit more now on remote learning and that helps us to cut down travelling time and makes the session more accessible for us.” (SCP)**

With a number of developments planned, opportunities exist for A4e to expand the range of staff development available to supply chain personnel, in particular at Tier 3 & the SIPs for whom this could provide a valuable source of Continuing Professional Development (CPD).

## **2c) Contracting and funding**

Despite some misunderstandings initially, from discussions with SCPs, the contracting processes were found to have improved over time and are now considered to be fair and equitable by all those interviewed and, as identified above, communications are good throughout the process.

Potential supply chain partners are identified through an established Expression of Interest (Eoi) process and applications are scored against a matrix that includes location, experience, infrastructure and previous performance. Best practice is demonstrated in that this scoring process also factors in the priorities and relationships between the criteria through a weighting system and that all initial selections are presented to a senior selection board for validation.

Successful applicants were then put through a standard due-diligence process that included financial stability and this process was applied to all SCPs on direct contract to A4e, including SIPs.

SCPs commented favourably on the fact that the communications had made the funding arrangements clear from the very start including the management fee levels and purpose. There were several examples of the funding/payment structures being varied to help mitigate any undue financial hardships for specialists, especially as some SCPs struggled initially with the payment by results payment model. Contracts issued latterly contain a 'cooling off period' of between 3 to 6 months, in order to allow the SCPs to determine financial viability and potential risk.

SCPs confirmed that A4e has devised and distributed effective and robust contract and guidance documents that clearly define the obligations of both A4e and its SCPs. SIPs indicated that they are operating under a Service Level Agreement (SLA) with A4e and Tier 3s confirmed they had written agreement with one of the Tier 2s.

**"We are currently renegotiating our contract and I'm pleased to say that A4e is being very receptive to our suggestions given our situation". (Tier 2 SCP)**

**"They have detailed contracts but we also have a supportive Partnership Manager and that helps a lot." (SCP)**

There is evidence to suggest however that not all Tier 3s are having their financial viability established by the Tier 2s and this may be worthy of further consideration by A4e.

Market share has been defined and agreed largely based on geographic areas, with a degree of flexibility when it comes to boundaries. Specialisms also play a part and, as a result of the presentations and up front discussions in advance of contracts being issued, in which the delivery model was outlined, SCPs are generally aware of how market share was allocated. SCP awareness of market share is reinforced through the monthly performance statistics that are published and accessible to all directly contracting supply chain partners. That said, there was a sense amongst the SCPs at Tier 2 that the rationale for re-allocation of places created by SCPs exiting the supply chain is a little less than transparent and this may be worth consideration for the future.

**"We appreciate the sharing of figures, to see how we are doing in comparison". (SCP)**

**“The market share was quite clear at the beginning, though the rationale has become a little muddled of late and it would be good for A4e to review it and keep us informed”.**  
(SCP)

There is also evidence to show that proactive negotiation took place regarding volumes and expectations, with examples being provided where numbers have been adjusted under contract variations to better reflect demand and capacities/capabilities. These include the moves to better cater for the ex-offender payment group (PG9) and people with disabilities (PG6). Funding arrangements follow a multiple option payment model based on performance to date and all SCPs commented that they found this to be fair, equitable and effective. A couple of SCPs commented however, that there is a sense that negotiations can tend to feel a little 'one-sided' and a perception that changes can feel imposed, though this is not a widespread view.

**“We were consulted, we had a choice – we did it and got more referrals than expected. The consultation was not formal. They came to us and said can we take more referrals”.**  
(SCP)

The transfer of funds throughout the supply chain is working effectively with no examples identified within this assessment of inaccurate, or late payments being made. Evidence shows that the incidence of withheld payments has reduced over the last 2 years as SCPs become more adept at submitting payments through the management information system and relationships have developed in which issues can be resolved professionally and amicably. The majority of SCPs commented in favourable terms in discussing Connect4Work and found it to effectively support the claims process, though a small number of SCPs commented that they found it cumbersome and overly complicated

The initial presentations and discussions around procurement have done an effective job and all Tier 2 providers are aware of the level of management fee and its purpose in quite specific terms, citing management information, staff training, A4e's infrastructure, the development of systems and processes, quality and compliance audits, communication tools and A4e support generally. A recent increase in the level of the management fee has been communicated to the SCPs and generally well received.

**"They earn the management fee – the training is good" (SCP)**

**“We are getting more support than we ever have done”.** (SCP)

**“They go above and beyond - I think we do well”.** (SCP)

There is a sense amongst a small number of SCPs that the management fee increase is as a result of performance issues linked to Performance Improvement Plans. A4e may be well advised to reaffirm the reason for the increase in management fee to all its SCPs in order to address some of these concerns and perceptions, if this is not the case as there is a danger that this could have negative impact on relationships.

## 3 Conduct

### 3a) Demonstrating commercial and business integrity

The working relationships between A4e and its SCPs are clearly effective at all levels and much improved since the initial assessment in 2012.

There are particularly good relationships between the Partnership Managers and SCPs and feedback from Tier 2s, Tier 3s and SIPs suggests that these relationships are fundamental to the effective working of the supply chain. The core principles and operating philosophy of A4e have been presented to the supply chain as part of the workshops and support provided to SCPs during the onboarding process. Over the last 18 months, work has been done in consultation with the SCPs to create a Partnership Charter that encompasses these business principles.

**“The Partnership Charter clarified current roles. We had lots of input through the sub group”. (SCP)**

**“We see ourselves as ‘a critical friend’, but A4e take the challenges and respond because this gives the corporate body a local reach”. (SCP)**

SCPs equally have their own sets of values and several commented that these are now more closely matched by A4e’s own and have clearly become embedded within daily working practice throughout A4e at both strategic and operational levels.

With significant experience under their belt and the support of HR related Subject Matter Experts, A4e has demonstrated a good understanding of the TUPE processes and requirements and the transfer of staff between organisations have been effectively managed. Regular meetings and discussions and workshops, together with a nominated Subject Matter Expert within A4e that acted as the focal point for enquiries and provided one-to-one support, all helped TUPE’d staff to make the transition effectively and allayed any concerns they might otherwise have had. The support was also extended to those SCPs who exited the supply chain and, in some cases, A4e worked with SCPs to help them to create new roles and transfer staff in order to avoid redundancy situations.

As identified earlier in this report, the relationships and interactions between A4e and its SCPs are wholly positive; this, despite some difficult decisions being taken, together with extrapolation and performance improvement requirements. Pivotal to these effective relationships are the Partnership Managers, supported by Partner Assurance Leaders. The appointment of an Executive Director of Partnerships has also been instrumental in raising the strategic importance of effective relationships throughout the supply chain.

**“Right now, if we have any problems, questions, or issues, our partnership works really well”. (Tier 2 SCP)**

**“The appointment of \*\*\*\* (Executive Director of Partnerships) has been a positive addition, because partnership issues will now be discussed at board level”. (Tier 2 SCP)**



These interactions are supported by the monthly and quarterly reviews for performance, compliance and quality assurance purposes and reinforced through the quarterly SCP and Best Practice meetings.

Changes in legislation and statutory requirements are notified effectively through discussions and emails and these are again reinforced within the monthly performance reviews and discussions with A4e's Partnership Managers and during QA and audit activities. The Huddle, Expert User sessions and Change Brief meetings also play a large part in helping SCPs to keep up to date with latest legislative and regulatory requirements, as do DWP's Exchange updates. The effective relationships and open dialogue provide for a high degree of understanding amongst SCPs regarding interpretation and implications of funding, regulatory and legislative changes.

**"We get kept up to date with legislation and funding issues pretty well I'd say. In fact we usually get told the same information several times; for example the weekly briefs we get are repeated again in the Huddle and are often followed up in our performance reviews" (SCP)**

### **3b) Quality Assurance and Compliance**

Quality Assurance processes and practices are good at the Tier 2, end-to-end provider level and within A4e's own direct delivery provision and their SIPs, all driven by a three tier quality monitoring system. These tiers start with a self-assessment Compliance Questionnaire, which is followed up by audits by A4e's Partner Solutions Team and rounded off by full on-site audits by the Central Assurance Team. Customer progression is considered as part of the assessment to determine whether or not a quality product is being delivered and in this way, the SCP has the opportunity to provide additional material for consideration and to suggest opportunities to improve performance where appropriate. Each SCP will then receive their own post-audit report and action plan detailing improvement areas as agreed and these are reviewed as a matter of course at the next audit. The Partner Managers also review the quality of provision during their monthly meetings with SCPs and will also conduct random observations whilst on-site.

All results of QA activities and feedback are channeled through A4e's Assurance Partner Leader, in order to identify trends and areas for development. SCPs generally commented that they find the quality and compliance audits to be well managed, effectively conducted and valuable in identifying areas for development. From September 2013, quality and compliance have been included in the SCPs Performance Improvement Plans and are therefore monitored on an ongoing basis to ensure continued improvement. In a couple of cases however SCPs commented that they found the quality assurance approaches could be "uncoordinated" and "reactive", though accepted that changes were still unfolding and that the processes are much improved in the last 12 months.

**"We got a 40 page report following the last audit with lists of recommendations". (SCP)**

**"The monthly Performance reviews formalise any issues. They get it recorded and can refer back to see if progress is made" (SCP)**

**“The partner assurance team went to speak to the staff team after the audit to give feedback. They like to share their findings directly to the team.” (SIP)**

It is clear that there are effective processes in place to utilise the findings of the QA processes to inform and improve service delivery.

Examples include actions that have impacted on the wider social objectives, improvements being made to the observations of delivery sessions and enhanced use of About Me (a customer self-analysis tool) and other systems and processes to improve service delivery.

**"The QIPs (Quality Improvement Plans) certainly help to keep you focused" (SCP)**

With well established supply chain partners, many of whom having a long history in the field of Information, Advice and Guidance, A4e is able to demonstrate that access to good quality provision is made available and promoted to customers at the point of delivery, where this takes place at Tier 2 and through the A4e direct delivery offices. A4e itself has been assessed and accredited against the matrix Standard and around 80% of its Tier 2 SCPs also hold this accreditation, though this is not mandatory at this present time. For any SCP working under Skills Funding Agency funding, accreditation against the **matrix** Standard is obligatory. Information advice and guidance is defined within the standard operating procedures and online advisor guides to be found on Huddle.

Through the various communication channels, networking approaches and one-to-one dialogue, all SCPs are aware of the IAG available in their geographic areas. A small number of SCPs commented that they did not feel A4e was really promoting IAG as a concept, especially amongst Tier 3 and SIPs. With Tier 3s and SIPs offering a degree of the information, advice and guidance available, it is recommended that the senior team consider how quality IAG can be more robustly and comprehensively assured at this level.

As part of procuring new SCPs, A4e provides detailed information on the various system requirements and this includes data security. Data Security within A4e is designed to meet ISO 27001 standards and is closely monitored and implemented during the Due Diligence process at the outset and at frequent intervals thereafter as part of the QA and compliance audits. The IT Department within A4e have a responsibility for ensuring that all parties are compliant and the general feeling amongst SCPs is that measures to ensure information security is robust. Observations undertaken by A4e whilst on site, for example during performance reviews, are used to determine the degree of compliance with requirements. Such visits are used to determine the degree to which SCPs are protecting data by ensuring that computer screens are cleared and locked down when SCP staff leave the position where they are viewing information and how hardcopy information/records are maintained. Each Tier 2 SCP is also required to develop a Security Plan and this is reviewed as part of the onboarding process and monitored through performance reviews.

Health and Safety policies are also initially assessed by Health and Safety (H&S) Subject Matter Experts as part of the procurement process and again reviewed as part of the monthly performance discussions between the Tier 2 SCPs and their Relationship Managers and by the QA and compliance teams in their quarterly inspections. In the event of any shortfall, or corrective action being required, an action plan is drawn up by the SCP and agreed with their Relationship Manger, supported by A4e's specialist H&S advisors.

Discussions with the SCPs in this assessment would indicate there has been some specific training made available to SCPs on health and safety and further guidance is available through the Huddle and specialist team as required and requested.

A similar situation exists for safeguarding, with initial checks on policies in place through the procurement processes and ongoing monitoring of SCPs for effective practices during the reviews and inspections by A4e staff. A specified member of A4e staff effectively acts as a Group Designated Safeguarding Officer (GDSO) and a Designated Safeguarding Officer (DSO) supports the role at more local level. These then are the A4e staff that effectively take the safeguarding lead for all A4e enterprises. With safeguarding having a high profile, many SCPs have developed their own approach and policies and many have undergone specific training in this regard and again this is a topic that has been made generally available to them by A4e.

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

There are policies in place throughout the supply chain related to Environmental Sustainability (ES) and this forms part of the selection criteria for all supply chain applicants and is an integral part of the structured reviews, audits and inspections undertaken by A4e. A4e itself is subject to ESF and DWP audits on a regular basis and these factor in their approach to environmental sustainability. Whilst A4e has made some good strides forward in understanding its own performance related to ES, for example in identifying carbon emissions, business mileage and energy consumption, there are currently no targets defined to improve performance against these metrics. Nor have any targets been defined for SCPs specifically related to ES issues, beyond those that the SCP organisations may have in place of their own volition. The collation and analysis of this data is also in its infancy at this time, although this forms part of the plans for A4e moving forward over the next few months. A recent development has been the production of a Sustainable Office Guide, though again, this has yet to reach the SCPs.

**“Sustainability is a big issue for many organisations and we’ve improved our waste disposal policy – making sure we are aware of where our rubbish goes and that it is properly and securely disposed of”. (SCP)**

**“They encourage us to ask for recycling bins in our offices, so they honestly take the matter seriously, though we haven’t been set any targets”. (SCP)**

Whilst there are examples of ‘excellent practice’ being shared and demonstrated, e.g. the use of pilots to determine feasibility and the partnership arrangements entered into with a number of other Primes, A4e at this time has not set out to define what the term actually means and consequently has not communicated with the supply chain in this respect. This leaves supply chain partners identifying what they believe to be good practice and sharing the same through the various formal and informal networking opportunities, such as the quarterly SCP meetings and the attendance at ‘Good Practice’ meetings. In general, the comments made by SCPs were positive when describing A4e’s approach to identifying and

sharing good/excellent practice, though a small number commented that they feel there is a tendency to use anecdotal examples as good practice, without thorough research, or the benefit of quantitative data. This then may be worthy of further review by the management team within A4e.

**“We share across groups, we share the outcomes of training and we share employer opportunities”.** (SCP)

**“We’ve done visits to other partners to see what they do and that’s been really useful”.** (SCP)

**“We tend to share good practice locally, but we don’t do much to share things across the CPAs”.** (SCP)

### 3c) Honouring Commitments

A4e has managed SCP expectations well with effective communication throughout the procurement phase and during live running. Overall, expectations have been clearly defined from the outset, with only one exception, and these have been communicated in both written format and verbally through discussions. Within this assessment, SCPs confirmed their understanding of these expectations and that post-contract arrangements reflect pre-contract agreements, though some SCPs reported that the shortage of referrals did catch them out. All parties agreed that there is now an open culture for communication that encourages and allows both the Prime and SCPs to voice their opinion and/or seek clarification where required. Any changes to the original agreements are covered diligently by variations to contracts, for example where original targets have had to be revised downwards due to lower than anticipated referral numbers.

**“[Extrapolation] – in terms of how they (A4e) dealt with it, it was good, because they drove it, they were good.”** (SCP)

Only one formal complaint has been raised by one of the SCPs at the time of this assessment and discussions with the head of this organisation commented that they had found A4e to be flexible and open to ideas and suggestions. They also commented that the issue has been resolved to their satisfaction, without the need to escalate it to a higher authority. Otherwise, SCPs were generally aware of the dispute resolution processes and how to access it on the web portal and through their Partnership Managers should the need arise.

The lack of formal complaints is due largely to the positive relationships existing between A4e and its supply chain partners, with any concerns being addressed as they occur by the Partnership Managers, drawing in senior A4e staff as appropriate, where the issue determined that it be escalated to a more senior level, for example related to contracting or funding issues.

Again, all the SCPs interviewed indicated a good level of satisfaction with regards to concerns being quickly addressed and in a positive manner, though it may benefit A4e to drive this level of understanding down to Tier 3 SCPs and to SIPs.

A4e senior staff also indicated that they would abide by any decision made by the Merlin

Mediation Service (MMS). Both the MMS and the Independent Case Examiner service were known to the specialists, though in reality, these options have not been required to this point in time by any SCP.

As identified earlier in this report, expectations regarding processes, practices and standards formed part of the pre-contract presentations, workshops and dialogues with potential SCPs and these have been built into the contracts and service guidelines. These expectations are also defined in the Partnership Charter, these being behavioural in nature and these continue to drive the performance and quality reviews and are a key feature of the monthly and quarterly Good Practice and SCP meetings and audits by A4e staff. Monthly partner meetings are positive and the level of compliance audits has been reduced to reflect the drop in customer numbers. Tier 3 SCPs typically receive an SLA that includes the expectations and obligations of both parties, though it may be prudent to dip sample Tier 3 SCPs who are connected to a Tier 2 provider and not A4e in order to ensure robustness and consistency.

**“They are working hard to manage expectations and it’s clear that they are in transition and some good work has started, though I think they could plan a little better sometimes”. (Tier 2 SCP)**

**“The SOPs (Standard Operation Procedures) were very useful at the beginning of the contract, though we don’t need to refer to them so much now”. (SCP)**

### **3d) Performance**

It is clear that some aspects of the supply chain has been encouraged to work collaboratively, e.g. in the cross referral of customers to vacancies and in the sharing of facilities and best practice through the visits mentioned earlier. The regular email and phone contacts, monthly review meetings and attendance at Best Practice meetings also evidence A4e’s approach to working in partnership and collaboration with its SCPs. This meetings infrastructure provides for SCPs to review and discuss developments and requirements across the network, though there is a tendency for this to be end-to-end providers and SIPs, rather than the specialists working at Tier 3. Further encouragement by A4e for SCPs to collaborate in joint funding bids and share resources could also reinforce this supportive approach to supply chain development and position A4e as a catalyst for change and improvement in the eyes of the supply chain.

**“They keep an arms length but you know they are always there for help and support where needed”. (SCP)**

A4e has demonstrated effective performance management processes and practices, primarily through the Monthly Performance and Provision Reviews (MPPRs) with A4e’s Partner Managers and quality and compliance team staff. These reviews are used to determine progress against contracted Minimum Service Levels and Minimum Performance Levels. Opportunities exist for SCPs to raise issues and discuss concerns at these meetings and these are shared across the operational teams within A4e in order to resolve them effectively. Lessons learned are also noted and shared across the network through weekly

emails and ongoing discussions; though at this time there is no central log of lessons learned in this fashion.

**“Year 4 has seen A4e Ramon from DWP’s performance improvement notice and this has been rolled down to SCPs”. (A4e Manager)**

Any under-performance identified within an SCP results in a targeted Performance Improvement Plan (PIP) being drawn up and agreed between the SCP and their Partner Manager and this drives any subsequent reviews, audits and inspections until such time as the shortfall is addressed. Innovation is discussed less frequently, however one SCP identified that they have established good links with businesses that have a positive attitude to employing PG6 and PG9 customers, with a percentage of job functions being retained for people in these categories. The clarification of just what innovation is within the contracts offered could well help A4e to raise SCPs perceptions and understanding, leading to greater dialogue in this regard.

**“Agreed to increase management fee in return for increased support as part of PIP”. (SCP)**

**“The PIP helped us to focus. We introduced a claims officer and an internal compliance officer as a result and that’s helped us a lot and our performance has improved”. (SCP)**

Through good communication and effective monitoring and reporting, supply chain partners confirmed that they are very clear as to their performance expectations and that the review processes provide for effective analysis of such performance. A league table is produced monthly to allow all SCPs with a direct contract to see their performance as compared to others.

**“They are firmer and assertive when they need to be, but they are also supportive and helpful”. (SCP)**

**“They are open with us and provide league tables at meetings”. (SCP)**

The Connect 4 Work management information system is a recently introduced piece of technology that has developed over time with input from the supply chain and now has the capability to store, analyse and report information in a comprehensive manner. SCPs commented that it allowed for accurate data to be maintained and reported upon and several commented that they had used the reporting features to good effect in analysing their own performance. Performance information is shared across the supply chain during network meetings and is also available through the CM’s meetings with their respective SCPs. As with any new system, there were a small number of SCPs who indicated that they found it to be overly complicated, though it is evident that A4e is working to overcome the start-up issues.

**“It’s early days yet, but the new system looks promising even though there are some teething problems”. (SCP)**

**“They are still training people and overall I think Connect 4 Work provides opportunities to improve the services to the supply chain partners”. (SCP)**

With the focus of the payment system being attachments, progress measures, job outcomes and sustained employment for the customers, those SCPs questioned were very clear that this is how they calculate value for money in their own minds, when compared to the cost of achieving these key performance indicators.

In some cases SCPs have used "better off" calculations and one SCP actually calculates and reviews the cost of getting a person into work and creates case studies, though this has not been shared or used by A4e at this time. A4e has commenced work on defining what value for money means to the various stakeholders. Early dialogue has been had with SCPs and as many referred to the discussions around "the three bubbles" (primary stakeholders), though at this time further work needs to be done in this area and cascaded across the supply chain.

**"I don't think where any different to any other of the partners in that we have our own clear idea of what value for money means to us". (SCP)**

**"This is the tightest programme we've delivered in terms of value for money – we know that when we have done something for a client, it should help them to stop coming back". (SCP)**

In looking to measure and encourage demonstrable outcomes and performance improvements, the main process is the customer journey. This is monitored against the progress measures for all contracts through the Connect4Work system and, as such, A4e has established effective processes to determine 'distance travelled'. Initial assessment of various factors including confidence and motivation, is undertaken and regular customer reviews by A4e's advisors continue to monitor an individual's progression and development, with personal goals being agreed and monitored through the system. For SCPs, distance travelled is currently less transparent through the Connect4Work system, as this function has yet to be activated and shared across the supply chain.

### **3e) Promoting Diversity and Equality**

Diversity and Equality (D&E) is seen as a key issue for all customers and stakeholders aligned to A4e. All those within the supply chain are required to have and maintain a D&E policy that at least matches that of A4e and compliance with this requirement is confirmed during the procurement process and is subject to audit during the QA inspections and the MPPRs.

In designing the supply chain, A4e were able to contract with SCPs that share its own beliefs and values, including those related to diversity and equality. The partnering Primes and other large stakeholders of A4e have very clear guidelines and requirements in this respect leading to a high degree of visibility for this issue and, through A4e, all SCPs are clear as to expectations.

The A4e Connect4Work system is designed to capture diversity and equality data and there are some examples internally of this data being reviewed by both A4e staff and SCP staff. In one case for example, support was provided to a Tier 2 SCP in order to help them to review and develop their E&D policy. Training modules have also been provided, for example on Safeguarding and equal opportunities as a subject, was recently included on the Huddle.

**“We’ve also just finished a report for presentation to the Partnership Board. It clearly shows that black and minority ethnic people are performing better in terms of referrals”.** (A4e Analyst)

**“We've done some work with a disability charity so that they could teach us about equal opportunities, and of course some of our partners have been focused on E&D for many years and have a wealth of experience that we can all learn from”.** (A4e Manager)

With this as an emerging strategy, many SCPs are, as yet, unaware as to how A4e will analyse this data to inform future service delivery, or how it links to the wider policy and objectives of the commissioner and this may be worthy of making a priority for the future.

## 4 Review

### 4a) Supply chain review

Feedback has been collected from a wide range of stakeholders such as customers, employers, SCPs, staff, local authorities, Local Employer Partnerships (LEPs), ERSA, third sector organisations and of course, DWP, ESF and central government, through formal processes such as performance review meetings, national and local networking or through informal situations. Customer journey results and surveys also feed in to the supply of review data to good effect. Effective relationships with these organisations all provide for a rich vein of information and feedback and there were several examples of this information giving rise to improvements being made to both practices and processes throughout the supply chain.

**“A need was identified help ESA customers, so we set up a forum as we were not meeting minimum performance levels. The partners (SCPs) put forward lots of ideas and from ideas shared, we put in an identified worker to support ESA customers and set our monthly targets. We have done really well and have maintained that way of working, offering targeted support”.** (SCP)

Whilst Partner Managers meet the SCPs on a monthly basis, there may be benefits to be had from bringing wider stakeholders, including Tier 3 SCPs and SIPs, together periodically throughout the year, or at least annually, for example, for a ‘state of the nation’ type presentation and dialogue and further extending A4e’s ‘Insight-Based Improvements’.

In keeping with DWP requirements, A4e has developed and produced a Self-Assessment Report (SAR) on an annual basis. Contributing to this report are the discussions held with SCPs during the performance reviews and the requirement of all Tier 2 ‘end to end’ SCPs to complete and submit relevant information through their own SAR. The outcome of this process is a series of Quality Improvement Plans (QIPs) for each of the SCPs across the contract package areas, together with an all-encompassing SAR and action plan, used by A4e to drive development and improvement activities. The overarching report and plan are not currently shared across the supply chain network, however highlights are shared through the various communication routes, e.g. the website and the performance review and quality meetings as appropriate and each Tier 2 SCP has their own copy of their QIP.



**“It’s been a good process for producing the SAR this year and there seems to have been more involvement of partners”. (SCP)**

Providing an opportunity to include more Tier 3 SCPs and SIPs in the process however could effectively support this ‘bottom up’ approach, in order to increase the diversity and richness of the information collected.

There is a clear commitment within A4e to the wider policy and objectives of the commissioner. This is evident in the design of the supply chain and the use of specialist providers and in the various new initiatives being explored and delivered. Many of those SCPs interviewed showed a good understanding of the commissioner’s wider objectives, as well as the part they will be playing in contributing towards them in a demonstrable fashion, although this tended to some degree to relate to their own area of expertise and interest, rather than across the piece. Many SCPs commented on the usefulness of Huddle, the Weekly Round-Ups, Change Briefings and the Expert User meetings as vehicles for keeping them updated on the wider policy and strategy of the commissioner and affirmed that this is a subject often discussed at the supply chain meetings and Best Practice sessions. The only negative comment made by SCPs in this regard related to the volume of information being passed to ‘small organisations’ and **“the difficulty in knowing what is a DWP edict and what is an A4e requirement”**.

**“We get a lot of information passed to us regarding the social objectives and I think it’s pretty clear as to how all the partners play their part, as we all have clear contributions to make”. (SCP)**

**“We’ve started to work really well with the health sector and in particular mental health. We’ve now got good links with Increasing Access to Psychological Therapies (IAPT) and we’re currently piloting a joint working protocol to allow data sharing across a number of Primes so that organisations don’t have multiple requests for the same data”. (A4e Staff)**

All SCPs interviewed were clear on how they contribute to these wider objectives and many were able to give specific individual examples of impact, however this ‘evidence’ tended towards the anecdotal, with no clearly measurable outcomes of impact overall. The Merlin Standard however, calls for ‘measurable impact’ and in this respect, this is an element as yet underdeveloped across the A4e supply chain.

The introduction of various specialists into the supply chain over the previous year or so, for example to better meet the needs of ex-offenders and those with health challenges, are clear demonstrations of how the supply chain has evolved over time to better meet the changing needs of stakeholders of all types. Indicative of this evolution is that a PG6 Task Group has been established across the supply chain to determine how all SCPs can work more effectively for the benefit of this client group and more partnerships are developing outside of the deliver network, for example London transport companies and third sector consortia.

**“There is some evidence to suggest that the supply chain is evolving away from end-to-end providers and more to specialists”. (A4e Manager)**

**“We’ve also created some effective partnerships with established key players, for example the London Boroughs, to create joined-up thinking around substance and alcohol misuse”. (A4e Specialist)**

The design and activities of the supply chain have without doubt had a positive impact on such aspects as customer health and wellbeing, poverty and criminality, though as identified above, the positive outcomes tend towards the anecdotal. Opportunities therefore now exist to extend the range of data collection to other stakeholders, e.g. the NHS, the National Housing Federation, environmental groups and the various Police Authorities, in order to better understand the wider impact of the supply chain on these key social objectives.

## Conclusion

A4e Ltd has exhibited behaviours that fully meet the requirements of the Merlin Standard and several areas of good practice have been demonstrated.

It was evident to the assessment team that A4e has, over the last 12 to 18 months, developed a much more partnership-based approach to managing its supply chain and that this has resulted in improved working relationships at all levels and that this, in turn, has led to improved performance all round.

Supply Chain Partners confirmed that A4e has established the positive behaviours expected of a Prime contractor organisation - and that the strategies, policies and processes deployed since the organisational changes and critical staff appointments have resulted in a supply chain that can better meet the needs of the various stakeholders.

In particular some good initial work has commenced around a couple of the wider social objectives, namely health and well-being and environmental sustainability, thereby creating a good foundation on which to build over the coming year, or so.