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promoting supply chain excellence

Assessment Report
For

AVANTA ENTERPRISE LTD

By Lorna Bainbridge

On behalf of emqc Ltd

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Contents

About the Organisation 3
Assessment Methodology 3
Assessment Outcome 4
Strengths 5
Areas for Improvement 6
Areas for Improvement, Cont./ 7
Areas for Improvement, Cont./ 8
Assessment Findings 9
1 Supply Chain Design 9
2 Commitment 11
3 Conduct 17
4 Review 25

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About the Organisation

Avanta Enterprises Ltd (Avanta) was formed in 2006 and has a vision of 'breaking new ground in the world of work' and as a result, it creates and delivers a wide range of services that are all about people, including:

- Helping people find and keep work.
- Helping change services to increase outcomes, reduce cost and increase productivity.
- Working with local communities to make big government programmes work locally.
- Equipping people with new skills to progress in the workplace.
- Re-engaging young people in education and work.
- Helping people to set up their dream business.
- Helping people perform better in the workplace.

It has been involved in Welfare to Work programmes since its formation on behalf of the Department for Work and Pensions (DWP) and have been providing the Work Programme in three Contract Package Areas (CPAs) since live-date in June 2011. The three CPAs are Surrey, Sussex and Kent (CPA10), North West (CPA07) and North East (CPA05). In addition, it provides a Skills & Vocational Programme on behalf of the Skills Funding Agency (SFA).

Previously, Avanta opted to use internal resources for the delivery of programmes they were contracted to deliver, but recognised that in order to meet the commissioner's / funder's objectives and the needs of the customers it needed to increase its focus on the design, development and management of supply chains. Consequently, supply chains have been designed and delivered to support the delivery of contracts, slowly reducing the percentage delivered internally. The current breakdown of supply chain delivery is 44% Work Programme (41% CPA10, 34%CPA07, 58% CPA05), 10% Skills & Vocational Programme.

Assessment Methodology

Avanta was mandated by DWP to undertake an initial assessment against the Merlin Standard before 29th June 2012 due to being a delivery partner (Prime) for the Work Programme. Primes are required to be reaccredited against the Merlin Standard every two-years and consequently the organisation opted to undertake the assessment in April / May 2014 prior to the expiry of accreditation in June.

Whilst the scope for the initial assessment was Work Programme the reaccreditation included all contracts delivered on behalf of government departments and funding bodies, as listed previously.

The assessment team comprised of Lorna Bainbridge (Lead Assessor) and two Assessors: Sally-Ann Harding and Mark Wem, supported by a coordinator within Avanta. The Lead Assessor met the coordinator and other stakeholders in December to gain an understanding of the current portfolio of contracts to be included in the scope and discuss the logistics of the assessment. The dates for the on-site were identified and a plan of action agreed.

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A list of partners for all contracts in scope was provided, which indicated end-to-end (Tier 2), Intervention (Tier 3) and spot-purchase (Tier 4). The Lead Assessor selected a number of partners to be interviewed taking into consideration both contracts, across the CPAs and the different tiers.

The Lead Assessor was in regular contact with the coordinator prior to the on-site to review the schedule and logistics. All documentation required for the assessment; Self Assessment Questionnaire, Pre-Assessment Notes and schedules were shared within the agreed time-scale. Similarly, whilst on-site the Lead Assessor requested access to additional documentary evidence, which was willingly provided.

The assessment team spent a total of 12 days on-site reviewing documentary evidence and undertaking interviews with Avanta's staff involved in the strategic and day-to-day delivery and management of the supply chains, and a total representative sample of 74% of tier 2 partners from across both contracts. Tier 3 and 4 partner organisations also contributed to the assessment.

All Supply Chain Partners had been made aware of the assessment and the Lead Assessor was able to interview a supply chain partner who had requested to take part in the assessment.

Assessment Outcome

Overall %	**87%**
Overall Outcome	Excellent
Supply Chain Design	Excellent
Commitment	Excellent
Conduct	Excellent
Review	Good

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Strengths

The following provides an indication of areas of particular strength, which appeared to be working well and viewed positively by Avanta staff and a large proportion of the partners interviewed, and / or supported by observed and / or documentary evidence. The number in brackets cross-references the findings to the element and criteria of the Merlin Standard.

- The supply chain for Work Programme has continued to evolve and utilise public, private and third sector organisations. The number of tier 3 & 4 partners has increased over the past two-years in order to address the holistic needs of customer groups and local demographics. Similarly, due to the development of a champion for tier 3 & 4 partners the use of wider networks has been encouraged. (1a.2, 1a.3, 4a.5)

- A Supply Chain Management Framework (SCMF) has been developed, which provides a robust and consistent approach across all contracts to procure, quality-assure and performance manage supply chain partners from the initial introduction through to exit of a contract. (2a.1, 2c.1, 2c.6, 3b.1, 3b.2, 3d.2, 3d.3)

- Supply Chain Partners believe that the changes made in the personnel managing the contracts / CPAs over the past year has resulted in a far more collaborative and cooperative approach between Avanta and the supply chain. Communication is open and honest and interactions supportive and positive between supply chain partners and different personnel and departments, including; quality, claims, business support, senior managers, performance and partnership managers, etc. (2a.1, 2a.2, 2a.3, 2a.4, 2a.5, 3a.3, 3d.1)

- Avanta provide a range of resources to support the development of its supply chain partners, for example, Avanta.me, Intend, etc. and identify and assist partners to access additional funding streams and build capacity to develop sustainable organisations. (2b.1, 2b.2)

- Recently, investment has been made in developing two internal champions for the **matrix** Standard with the aim of supporting partner organisations through the process and developing more rigorous approaches to quality assuring information, advice and guidance (IAG). (2b.2, 3b.3)

- Effective strategies have been developed to manage the transfer of funds / finance within the network, and consequently all partners confirmed that they are well supported throughout the claims process and receive payment in line with the terms and conditions. (2c.7)

- The strategies to ensure the implementation of policies and procedures to maintain security of data and assets, health and safety and safeguarding within the supply chains are robust and embedded, which commences throughout due diligence activities and continues to be monitored throughout the life of the contract. (3b.4, 3b.5, 3b.6)

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Strengths, Cont./

- Pre and post contract negotiations are clear and open, and the finance and contracting arrangements reflect the initial agreements, and in the event of variations / changes to the expectations, terms and conditions these are communicated effectively. (3c.1)

- A significant improvement over the past two-years was the collection, monitoring and analysing of diversity and equality data by some partners and in some cases within the CPAs, which impact on the delivery of the service. (3e.1, 3e.2, 3e.3)

Areas for Improvement

Whilst Avanta demonstrated that it met the Merlin Standard and has made significant improvements since the assessment in 2012 the following areas could be considered for review and improvement based on feedback from Avanta staff and / or partners, observations and / or documentary evidence. The number in brackets cross-references the findings to the element and criteria of the Merlin Standard.

- The scope and variety within the supply chain design supports the achievement of the commissioner's / procurer's objectives and meets contractual requirements, it is paramount to the success of the contract to undertake on-going research, and consideration could be made to establishing the ideal percentage of public, private and third sector organisations within the supply chains. (1a.1)

- Within the Work Programme extensive opportunities are made available to encourage consultation and collaborative working within the supply chains, however, the opportunities for partners within the skills programme are limited due to geographical location, as a result consideration could be made to facilitating webinars, GoToMeeting, etc. (2a.2, 2a.3)

- The development of staff within the supply chains is actively promoted and facilitated through a range of resources, including e-learning, on-the-job coaching, etc. In the future, consideration could be made to fully evaluating the effectiveness of the resources and the impact on performance. (2b.3)

- Partners believe that funding / payment arrangements are fair and proportionate as they reflect the terms and conditions of the commissioner / procurer and whilst Avanta have implemented strategies to support some partners to overcome undue financial risk, in the future, consideration could be made to a far more flexible and innovative approach to funding / payment to minimise undue financial risk. (2c.2, 2c.5)

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Areas for Improvement, Cont./

- Tier 2 partners confirmed that the contracts clearly define the obligations of all stakeholders, and whilst a high proportion of tier 3 & 4 (where appropriate) confirmed that the contract / Service Level Agreement (SLA) was clear, consideration could be made to undertaking a full review and checking understanding prior to entering agreements and as planned formalise the approach for all tier 4 partners. (2c.3)

- Partners believe communications are effective, including those relating to legislative and regulatory requirements, wider policy and strategy information from the commissioner / procurer, however, consideration could be made to adopting a clear communication strategy and ensuring understanding and implementation of the requirements. (3a.4, 3b.3, 4a.3)

- Partners confirmed that the quality assurance processes, policies and activities are effective and proportionate, however, consideration could be made to implementing closer monitoring activities with partner's supply chains. (3b.1)

- Policies and activities are implemented to ensure the quality and effectiveness of information, advice and guidance provided by supply chain partners, however, consideration could be made to developing a far more robust approach with more frequent observation of practice within some CPAs, which will develop consistency of approach across the supply chain. (3b.3)

- Avanta has a clear strategy to support environmental sustainability and has made every effort to engage partners over the past two-years. In the future, consideration could be made to involving partners in the design of the objectives and measuring the impact across the supply chain. (3b.7, 4a.6)

- Management Information (MI) is available for all partners, however, the level of interrogation varies amongst partner organisations / people and consequently inconsistencies arise. As a result, consideration could be made to formalising the approaches to using the data. In addition, Avanta could be more mindful of those organisations that are less sophisticated and may require additional support to use the data available. (3d.4, 3d.6)

- The use of data relating to diversity and equality has improved over the past two-years and evidence indicated that the data was being used to inform future decisions. In the future, consideration could be made to encouraging all CPAs to monitor and analyse the data to identify trends and potential gaps and share excellent practice across the supply chains to improve performance and develop a holistic approach. (3e.1, 3e.2, 3e.3)

- Avanta actively seeks feedback from all stakeholder groups through a wide range of strategies, and the findings are used where appropriate. Whilst some feedback has been gained, consideration could be made to the appropriateness, impact and value of the feedback methods and identify more innovative methods. (4a.1)

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Areas for Improvement, Cont./

- An annual Self-Assessment Report (SAR) is generated through the involvement of various stakeholders. In the future, consideration could be made to identifying and engaging with a wider group, and include all tier 3 & 4 partners. (4a.2)

- Avanta and partners work together to deliver the services to gain positive outcomes for customers and contribute to the commissioner's / procurer's wider social objectives / policy intent. Whilst a level of evaluation currently takes place, consideration could be made to developing a more robust, formalised approach across the CPAs / contracts to ensure partners truly understand the impact of the supply chain, specifically referencing external stakeholders, employee / people well-being and environmental sustainability. (4a.4, 4a.6)

In summary the findings indicate that Avanta have built a solid foundation for managing supply chains, the SCMF provides the structure to ensure effective procurement, quality-assurance and performance management, irrespective of the contract. The challenge is to maintain and 'fine tune' the practices to ensure a consistent approach, which is constantly challenged and measured to ensure they are effective and fit for purpose.

New partnership and performance managers have been appointed in the past year, which has had a significant impact on the CPAs, consequently, these individuals should be encouraged to continue to embed the policies and procedures and recognise that their success is based on the relationship they forge with the partners.

Areas Requiring Further Development

Avanta have 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.

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Assessment Findings

1 Supply Chain Design

1a) Supply chain design

Avanta's primary aim is 'breaking new ground in the world of work', which includes a key strategy of 'creating and delivering services to help people find and sustain work, and contribute to local communities'. Since its formation it has been involved in Welfare to Work contracts and worked with different commissioners / procurers to contribute to its strategies and aims. Consequently, it was recognised that the Work Programme provided a platform for the organisation to implement a national strategy at local level, impacting on local communities and supporting customers with a wide range of needs, which contributed to its overarching ambitions.

Initially Avanta adopted an internal delivery model, however, it was recognised that working in partnership with experts was a necessity in order to meet the changing needs of customers and the requirements of commissioners / procurers, and as a result, adopted an external delivery model through a supply chain and as previously stated, currently 44% of the delivery for Work Programme is through a supply chain and 10% for the Skills Programme.

The value of working with organisations from the private, public and third / voluntary sectors was recognised as a necessity by Avanta in order to meet the needs of the customers and once again contribute to the commissioner / procurer objectives. Through research it was also evident to Avanta that each CPA had its own challenges based on the demographics and local issues and consequently, built a supply chain of national, regional and local partners. At the time of the assessment, whilst there had been no changes with tier 2 partners since 2012 there had been substantial changes with tier 3 spot purchase specialist intervention partners and the introduction of tier 4 specialist services, which was due to the introduction of different customer payment groups. Whilst DWP focused Prime organisations on specific customer payment groups, for example, PG6, Avanta continued to work actively across all groups, providing opportunities for potential customers irrespective of their background to contribute to their aim of developing social inclusion.

The SCMF was developed as a result of previous learning when developing a supply chain, and consequently, it provides a robust and consistent approach to effectively procure, quality assure and manage its supply chains, which is generic, fit for purpose and meets the needs of all stakeholders. The initial stage of the process is to identify the business opportunity / need and undertake research to ensure alignment with the overarching strategy, which was evidenced through recent tendering activities for contracts in Northern Ireland and Eire.

Senior managers and managers actively seek opportunities to meet with external bodies and people of interest to contribute to ensuring its supply chain is robust, diverse and fit for purpose, and to shape and inform future Welfare to Work programmes at International and National levels.

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The external bodies and people of interest include Members of Parliament from all parties, Employment Related Services Association (ERSA), Institute for Public Policy Research (IPPR), Local Enterprise Partners (LEPs) and other national, regional and local networks.

As a result of research undertaken within one CPA it was recognised that having greater involvement with and coordinating activities of tier 3 & 4 partners impact on the performance levels of both the internal and external delivery. Consequently, investment has been made in the development of Champions for the tier 3 & 4 partners at national and regional levels and once again, networking with national and regional bodies is actively encouraged, for example, task force groups, which continues to inform changes to its supply chain.

An IAG catalogue has been developed and made accessible to all partners, which provides a central point for tier 2 partners (and tier 3 & 4) to access specialist services, which is effective across the supply chains. It is also recognised that some tier 2 partners have long-established working relationships with a number of local specialist providers and networks, which have been proven to be beneficial and those relationships are encouraged to continue in order to add value to the service delivery.

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2 Commitment

2a) Collaboration, cooperation and communication

The SCMF provides clear guidelines to ensure communication is effective prior to and throughout each stage of the procurement for a contract. Opportunities for working with Avanta are promoted through the organisation's website, newsletters, Intend (communication system) Partner and Operation Group (POG) meetings and other appropriate presentations, Carley Consult and direct approach from and meeting with a staff member.

Supply chain partners confirmed that throughout each stage; the Invitation to Tender (ITT), Expression of Interest (EoI) and the due diligence activities the information was clear and they gained extensive support and effective communication. One partner comment included:
"We had the support of the partnership and performance manager when we needed."

The role of a partnership and performance manager has a significant contribution and impact to the management of supply chains, and the appointment of three new managers over the past year has proven to be successful. Partners made reference to improvements to communication and how they are actively engaged in consultation activities and encouraged to work together with both Avanta delivery teams and other partners.

The monthly POG meetings within each CPA provide the opportunity for tier 2 & 3 partners to review systems and processes and identify improvements, for example, communication methods following the implementation of Intend. A Work Smart group has been developed, which includes representatives from all areas of the business, including supply chain partners and facilitates consultation discussions to contribute to new ways of working and continuous improvement.

Partners also made reference to partnership and performance managers and the business support team being receptive to new ideas, for example, one partner recommended a simplified system, which reduced administration time and resulted in zero errors.

The POG meetings also provide opportunities for supply chain partners to gain an understanding of other partner's successes and service provision with the aim of encouraging collaborative working. Tier 4 partners are invited to the meeting to present their service offering and demonstrate how they could work in collaboration with others to benefit the customer and contribute to the achievement of the commissioner / procurer objectives.

In the event of a specific service being required partners will work together to source and finance, for example, translation service was procured by a number of partners, which reduced the overall costs, and fraud training was required by a number of partners and consequently they shared the resource.

Collaborative working is also encouraged between partners and internal delivery teams through the sharing of vacancies across the regions.

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Partners clearly understand the roles and responsibilities of Avanta staff, including that of the senior leadership team, partnership and performance managers, business support, risk and audit, finance and delivery staff. Consequently, partners are aware who is involved and able to support them in any aspect of the contract and service delivery, resulting in no ambiguity regarding the business relationship. One partner comment included:
"I'm aware who does what and who to approach with a problem."

Partners spoke of the communication methods through formal and informal approaches, one-to-one and group activities, which include; tele-kits, monthly newsletter, monthly and quarterly performance reviews, POG meetings, accessibility of Avanta staff and the information made available through Intend, SharePoint and MI platforms. Whilst partners within the Skills Programme made reference to monthly meetings and daily interaction, there was less opportunity to meet as a group due to geographical locations, as a result, in the future, consideration could be made to facilitated webinars or GoToMeeting activities to encourage collaborative working and enable the sharing of information and ideas.

Partners believe that communication is open and honest and they are able to discuss anything, including areas of concern and ideas regarding the contract and expectations of the commissioner / procurer. Similarly, whilst tier 3 & 4 partners do not experience the same robustness of communications they confirmed that the appointment of champions has resulted in far more robust and effective communication. Some partner comments included:
"I would say there is openness and willingness to share information"
"Good liaison with and support from Avanta call centre and business support."
"At any point I will just pick up the phone, support is always there from the PPM and business support."
"Mutual understanding of support needed and agreed both ways."

2b) Developing supply chain partners

Partners confirmed that they are supported and encouraged to develop throughout the life of the contract and have access to a range of resources to ensure they meet contractual requirements and achieve performance expectations. Whilst a number of tier 2 partners are well established and have robust strategies and policies others are less advanced and as a result some have gained support to develop policies, which are fit for purpose, for example, Diversity & Equality, Environmental Sustainability, etc.

At the start of a contract partners experience an 'On-boarding' process, which is part of the SCMF to ensure they have the necessary documentation and gain an understanding of the contract requirements for data entry and administration, and includes an introduction to the supporting departments within Avanta, for example, call centre, business support, risk and audit, etc.

Partners also made reference to being introduced to other resources as and when they are made available, for example, Avanta.me, Intend, SharePoint, MI platforms, etc. and more recently, free membership was offered to the Institute of Employment Professionals (IEP). One partner comment included:
"I'm a member of IEP and now three of my staff are, its great CPD."

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Partners also made reference to being encouraged and supported to undertake shadowing activities with Avanta staff, including visiting the processing centre to gain an understanding of the systems and processes. Avanta staff have co-located and visited partner's premises with the aim of providing delivery staff with a greater understanding of the systems and processes, share ideas and good / excellent practice to engage with different payment groups, etc. which impacts on performance levels.

Currently, the strategy is to develop tier 3 partners (where appropriate) to be become tier 2 in the future, and tier 4 partners to become tier 3, consequently, support is provided to ensure they are viable and sustainable organisations and able to meet regulatory and legislative requirements. A recent Information Event for tier 3 & 4 partners proved to be successful and facilitated the sharing of information and good / excellent practices to contribute to business development.

Partners confirmed that they are made aware of additional funding streams and opportunities to tender for new contracts through email and Intend, for example, new Adult Skills Funding. There was also evidence of partners being provided with references to support their applications for new contracts. Some partner comments included:
"Intend highlights potential new funding."
"Invited to bid for other work, did look at it but didn't sync with the business."
"Avanta has given us a reference in the past."

As previously stated, tier 3 partners are encouraged to attend POG meetings and tier 4 are invited to promote their services with the aim of gaining additional business. One partner (tier 4) comment included:
"I was invited to a POG to do a presentation and as a result we now work with X and Y."

All partners have access to a wide range of staff development opportunities to support teams and individuals develop the knowledge and skills prior to the contract live date, including Avanta.me, which provides on-line resources for health and safety, equality and diversity, etc. In addition, licences are purchased for Safeguarding E Academy to enable partners to access the required training to address safeguarding requirements. Some partner comment included:
"All staff want safeguarding refresher, so we'll use Avanta.me rather than paying out to another company."
"Great on-line learning platform and workshops."
"Its all good training as its specific to the contract."
"We've access to the new Employment Related Qualifications."

Throughout monthly and quarterly performance reviews discussions regarding delivery staff, case load and knowledge and skills are undertaken, which identifies additional learning and development activities, for example, MI system training, action planning, setting SMART targets, etc.

The POG meetings provide attendees with Continuous Professional Development (CPD) opportunities through the sharing of ideas, good / excellent practice and guest presentations, for example, Jobcentre Plus, Local Authority, etc. A recent new resource; SharePoint will provide additional tools to support staff development, for example, themed bite-size programmes.

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"Beauty of the training is that you can dip in and out, its good CPD."
"The POGs are good for learning and sharing information."

In summary, a wide range of learning and development opportunities and resources are available to partners, in the future, consideration could be made to fully evaluating the return on investment; how many partners use the resources, the impact on performance, value added, etc.

2c) Contracting and funding

The SCMF provides a seven-stage process (0 – 7 listed below), which is a comprehensive and robust approach to procuring, quality assuring and performance managing contracts:

- Creation and management of a Dynamic Purchasing System,
- Identification of a business opportunity / need,
- Procurement,
- Negotiation and funding approval,
- Legal and sign-off,
- On-boarding,
- Management and monitoring,
- Exit and end of contract review.

The activities within each stage have been identified and communicated to the stakeholders, including partners, and consequently there is a strong belief that the procurement processes are fair and transparent, including in the way it selects and communicates with partners.

Partners confirmed that they are aware of each stage of the SCMF and what is expected including the EoI, scoring system and due diligence. Partners made reference to additional telephone support, one-to-one meetings and group presentations to gain information and ensure understanding of the requirements of the contract.
"Face-to-face meeting with business support – they were brilliant."

All partners are provided with the outcome of the procurement process, indicating whether they are successful or unsuccessful. Successful partners are advised of the next stage of the process, whilst unsuccessful applicants are provided with appropriate feedback. One partner, explained that the organisation was initially unsuccessful, additional feedback was provided, indicating what was required in preparation for future opportunities, and have subsequently been successful.

The senior managers strongly believe they have a duty of care to their supply chain partners and as a result, ensure partners clearly understand the financial aspects of the contract, including the interpretation of the payment by results model. Partners confirmed that discussions and negotiations regarding finance were undertaken, and over the life of the contract have had opportunities to review the terms and conditions, for example, making weekly payments, re-budget to ensure financial sustainability, etc.

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In summary, partners believe that funding / payment arrangements are fair and proportionate as they reflect the terms and conditions of the commissioner / procurer and whilst Avanta have implemented strategies to support some partners to overcome undue financial risk, in the future, consideration could be made to a far more flexible and innovative approach to funding / payment to minimise undue financial risk.

Contracts for tier 2 partners clearly define the obligations of all stakeholders and as a result they believe it is a comprehensive document, which reflects the DWP contract. Tier 3 partners confirmed that they had a contract / Service Level Agreement (SLA), which outlined their responsibilities and expectations, however, whilst every effort is made by Avanta to ensure a level of understanding is gained, consideration could be made to undertaking a full review and checking understanding prior to entering agreements with partners at this level. Currently, plans are in place to formalise the relationship with all tier 4 partners, and as a result, this will ensure clarity of expectations. Some partner comments included:
"Our contractual obligations were made clear at the start."
"We have a very clear SLA, which is in the stages of being reviewed."

There was an understanding regarding the rationale of the allocation of market share, which is predominantly based on geographical spread and their capacity to deliver an effective delivery, and as a result believe it is viable and transparent. Some partner comments included:
"Based on the geography and capacity."
"We have capacity to cover a specific area, which was taken into consideration."

Negotiations regarding the volumes, funding / finance and performance expectations are openly discussed and agreed and partners felt confident to challenge and re-negotiate, which was evidenced through some partners discussing the lack of referrals and plans being implemented. Some partner comments included:
"Performance expectations were clear from the on-set"
"We know what's expected on all levels and the door is always open to discuss."
"We know what they are and review regularly as a team."

Pre-contract award processes and payment structures take into consideration partner's requirements, and if necessary they were and continue to be confident to challenge and seek clarification and additional support.

Partners believe processes and payment structures are clear and have been simplified for the Work Programme through the self-billing strategy, which is effective and efficient. Partners confirmed that they received support regarding the self-billing strategy, which has contributed to minimising errors. Partners confirmed that payments are made in line with the agreed terms and conditions, and in the event of cash-flow concerns they are confident to approach Avanta to review the situation. Consequently, there was evidence of some partners receiving payment in advance. Similarly, tier 3 partners confirmed that upon submission of an invoice for the service provided payments were made on a timely basis.

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There is an awareness of a management fee and partners clearly understood what they gained in receipt, for example, administrative support, access to MI, Intend, SharePoint, Avanta.me and a wide range of support to ensure quality assurance and achievement of performance expectations. Annually, the management fee is reviewed and as a result some partners (Skills Programme) had experienced I reduction in fee due to being a lower risk and as a result partners felt Avanta was fair and they gained value for money. Some partner comments included:
"I think the management fee is fair as things have progressed in the last 3 years."
"Now we are low risk, Avanta take 16 %, originally it was a higher percentage."

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3 Conduct

3a) Demonstrating commercial and business integrity

The vision is 'breaking new ground in the world of work', underpinned by a set of core values, which have been reviewed in conjunction with partners and include; new thinking, doing the right thing, working as one, feet on the ground, etc. Consequently, partners are aware of the values through regular communications, including POG meetings and a recent road show, and believe that they drive the relationship / partnership with Avanta as staff mirror the values on a daily basis. In the future, partners are to be measured against the core values, which will further embed the behaviours across the organisation and supply chains. Some partner comments included:
"Very similar to our values, all working for the customer, community, social inclusion, etc."
"They are straightforward and make things simple."
"They are passionate about what we all do."

Whilst there is a very clear strategy to manage the TUPE process, which was fully tested in 2012, there has been no requirement for the strategy to be used over the past two-years and as a result, this was not assessed throughout this assessment. Confirmation was provided that the TUPE strategy would be mobilised, where appropriate, in the future.

Partners confirmed that they experience positive working relationships and all interactions are supportive, with the aim of contributing to the overarching objectives of the contract. Whilst some partners have experienced periods of poor performance, which has been addressed by Avanta, a high proportion felt the process was managed effectively and they felt supported throughout each stage. Some partner comments included:
"The PPM is very open for me to meet with other managers."
"Very, very helpful – supportive rather then trying to catch you out. "
"They are very, very supportive lots of discussion, negotiation and working together."
"Get the balance right, don't do things just for the sake of it."
"If there is an issue they do address it but do it professionally – do consult it is collaborative – two-way approach."

Partners confirmed that through due diligence relevant checks and support was provided to ensure they met the contract requirements, for example, insurance, strategies and policies relating to security, health and safety, safeguarding, environmental sustainability and equality and diversity. Subsequently, these requirements are checked annually to ensure they are current and fit for purpose and recommendations for improvement are recorded and timescales applied to ensure implementation.

Communication of legislative and regulatory updates is predominantly delivered through email and / or Intend. Partners expressed various opinions regarding the current communications strategy and consequently consideration could be made to reviewing the strategy in consultation with them to ensure communication continues to be effective and meets their needs.

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Partnership and performance managers have a key role in communications and are expected to follow-up understanding and implementation of legislative and regulatory changes. Whilst some partners made reference to implementation being followed up this was not consistent practice across the CPAs, consequently, all partnership and performance managers could be encouraged to close the loop, as opposed to waiting until the annual review.

The supply chain is kept up to date with contractual changes through email, Intend and partnership and performance managers, and subsequently, checks are undertaken to ensure understanding and the impact on the delivery of the service.

3b) Quality Assurance and Compliance

Whilst quality and compliance is reviewed throughout due diligence activities, stage six of the SCMF addresses the management and monitoring of the supply chain throughout the life of the contract. The quality and compliance activities are driven by the audit and risk department and supported by the partnership and performance managers.

Tier 2 partners described the activities undertaken through planned and unplanned audits / visits; including the CMO checks, monitoring of files to ensure SMART targets, observation of the service delivery, reviewing lesson plans and schemes of work, checks to ensure accuracy of data on the JMS (internal MI platform) and identify evidence of delivering the Minimum Service Levels (MSLs), etc.

Partnership and performance managers undertake 'dip sampling' to ensure partners are meeting quality and compliance requirements and findings are documented on the monthly performance and monitoring report, which is reviewed within agreed timescales.
"They do a random check for quality, which is very, very helpful - its how an audit should be done."
"They give you the results and support to improve."

Reference was made to the annual due diligence, where-by a nine-point scoring system is used. Partners understood that as a result of all the quality and compliance audits and checks the outcome determines their risk rating and the frequency of subsequent audits.

Partners with their own supply chain and networks are expected to manage the quality and compliance of these partners, whilst currently effective, consideration could be made to Avanta being far more proactive and implementing some form of quality and compliance review, which could contribute to building stronger relationships at this level.

Reference was made to the surveys, evaluation forms and forums completed by customers to identify satisfaction levels and areas for further improvement to meet needs and expectations. However, a number of partners were unable to recollect gaining the outcome of the feedback, as a result, consideration could be made to developing a communication strategy to ensure partners are kept fully aware and informed of the findings.

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Confirmation was gained from partners that customer complaints are dealt with and managed effectively, and full investigations are undertaken to establish the issue and implement appropriate action.

Partners explained that the findings of quality and compliance activities are recorded as well as the outcome of their SAR and other feedback mechanisms, and when appropriate a Quality Improvement Plan (QIP) is developed and support provided to address the issues, for example:

- It was identified throughout a quality check that a partner was not following a process; 100% for issue of WP07 forms, subsequently, training was provided regarding the correct process and improvements made as a result.
- An audit identified a problem with the customer start paper work, which involved six-different forms, as a result of discussion with the partner and the audit and risk team this has been streamlined into one form.

Avanta is accredited against the **matrix** Standard, which demonstrates that the IAG services provided are effective and as a result the same protocol is adopted when providing IAG to partners.

A number of partners are accredited with the **matrix** Standard, which provides assurance that the IAG being provided is current and accurate. To further support the quality of assurance of the IAG being provided throughout the monthly performance reviews observations findings are requested and in some cases partnership and performance managers undertake independent observations, however, this is not consistent practice across the CPAs, and as a result, consideration could be made to developing a far more robust approach with more frequent observation of practice, which will develop consistency of approach across the supply chain. Some partner comments included:
"We've been accredited with matrix for three-years and I'm sure Avanta placed great emphasis on that when we became a partner."
"Feedback was good following our last matrix review, and this supports Avanta's own approach to IAG."

Whilst it is not mandatory for all partners to be **matrix** accredited, recently, investment has been made in developing two internal champions for the Standard with the aim of supporting organisations through the accreditation process and developing more rigorous approaches to quality assuring IAG.

Accredited with ISO27001, a person is responsible to oversee, quality assure and manage the security of data and assets effectively, additional investment has been made in the Lead Implementer course to ensure Avanta meet current and future requirements. Throughout due diligence partners are expected to complete the DWP Security Plan providing information regarding the strategy, systems and processes to ensure the security of data and assets, and if appropriate support is available to ensure this is fit for purpose. Avanta have successfully deployed Assuria Log management to monitor the usage of systems by both internal and external stakeholders.

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Guidance and information relating to security is reviewed and updated by the Security Forum, and updates regarding security requirements are communicated to partners and subsequently checked through audits and the annual due diligence, and once again if required appropriate support provided to partners. One comment from an Avanta staff member included:
"As a result of X going in and supporting a small partner they moved from having an audit measure of around 57% to 87%, which is quite exceptional."

The due diligence process requires partners to submit policies relating to health and safety and safeguarding, and as previously stated support is provided to ensure they are appropriate and fit for purpose. Partners clearly understand who is responsible for health and safety and safeguarding, both within their own organisation and Avanta, and recognise the importance of the reporting processes in the event of a health and safety or safeguarding issue.

Health and safety and safeguarding are agenda items for the monthly performance review to ensure compliance and often referenced throughout POG meetings. The annual due diligence ensures that policies are current and continue to meet the needs of the contract. Some partner comments included:
"Safeguarding is taken very seriously and covered through review meetings and SAR."

Learning and development activities are accessible for partners to ensure delivery staff clearly understanding the requirements of the policies and actions to be taken in the event of incidents relating to health and safety and safeguarding.

The One Planet Strategy demonstrates the aspirations and plans to contribute to environmental sustainability and every effort has been made to engage partners over the past two years. Partners confirmed that they had a strategy to support environmental sustainability, which was reviewed throughout due diligence and six-monthly themed SAR. A number of partners made reference to targets being imposed at local level last year, which were reviewed periodically throughout monthly performance reviews and more recently at POG meetings. In the future, consideration could be made to involving partners in the design of the objectives and measuring the impact across the supply chain to ensure environmental sustainability is fully embedded.

The SCMF challenges the identification of excellent / good practice, which is embedded within the monthly performance reviews, in addition, it is proactively identified through monitoring websites, discussions with external bodies and benchmarking against industry experts. In addition, partners made reference to the opportunities to work alongside Avanta staff and working in collaboration with other partners.

Excellent / good practice is shared and monitored through one-to-one discussions, the monthly POG meetings, newsletters, emails and more recently Intend and SharePoint, and as a result, partners believe that the opportunities are far more structured, however further improvements could be made. In the future, consideration could be made to evaluating the impact of the strategies to ensure they are effective and support partners to learn from others' experiences.

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3c) Honouring Commitments

A key strength of the organisation is the ability to have open and honest discussions, which is reflected throughout all interactions with partners. Partners confirmed that pre contract negotiations were clear and open, and the finance and contracting arrangements reflect the initial agreements, and where changes have been made, for example, advance payment, these were mutually agreed, documented and reviewed at an agreed time.

Whilst some partners have experienced contract variations / changes these have been openly discussed, agreed and documented and as a result both parties are aware of expectations. Partners believe that Avanta have honoured their commitment throughout the life of the contract and that they have provided appropriate support to ensure the success of both parties.

The complaints procedure is promoted to all partners within the contractual documentation and referenced at POG meetings from time-to-time, as a result, partners are aware of the process. Currently, due to the working relationships partners have with partnership and performance managers and others within the organisation a large proportion would be confident to challenge and feel issues would be resolved quickly before having to escalate to the next level.

Members of the senior leadership team stated that they would fully respect the decisions made as a result of the Merlin Mediation Service, if it were to be deemed to have not acted in accordance with the principles of the Merlin Standard. Partners are aware of the Merlin Mediation Service (Work Programme) and believe that Avanta would respect the decisions.

Expectations are agreed prior to, during and post contract award through the open and honest discussions on a one-to-one basis, POG meetings and presentations. Partners confirmed that they clearly understood the requirements of the contract and what was expected as a result.

Over the past two-years partners expectations have been reviewed and where appropriate changes made, for example, reducing referrals due to capacity of a partner. Performance expectations and achievements are openly shared between Avanta delivery sites and partners, which provides a level of healthy competition across the Work Programme. Some partner comments included:
"POGs keep us up to date and se we're aware of how each other are doing."

3d) Performance

As previously stated, the POG meetings provide opportunities for partners to work collaboratively to meet the needs of current and future customers and the objectives of the commissioner / funder. Similarly, opportunities are provided for Avanta delivery sites and partners to work collaboratively through colocation and sharing resources, including internal and external training opportunities.

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Tier 3 and 4 partners believe that collaborative working is promoted and encouraged, which has been strengthened further by the investment in the national and regional champions for interventions partners to work with partners within the CPA and where appropriate across the programme.

In the event of a specific service being required partners will work together to source and finance, for example, translation service was procured by a number of partners, which reduced the overall costs, and fraud training was required by a number of partners and consequently they shared the resource.

The performance management of partners has evolved and improved over the past year to the relationships developed between the partnership and performance manager and their respective partners. It is evident that whilst the SCMF provides a structure and identifies the topics under review the success is due to the behaviours of the people. Some partner comments included:
"Far more supportive and positive."
"Ideas are shared to achieve targets now."
"We review all the MPLs for each payment group and identify ways we can achieve the target."

Partners made reference to the monthly performance reviews, which are robust and provide a clear indication of achievements, good practice, expectations and areas for improvements. In addition, partners feel confident that they can raise issues and discuss concerns, including regarding commissioning and procurement, due to the current, strong relationships with Avanta staff. Some partners have experienced periods of under performance, however, a majority felt that the process was supportive and encouraging, and contributed to identifying issues and areas for improvement.

As referenced previously, whilst Avanta promote and encourage partners (Work Programme) to develop local supply chains, they rely on the partner to manage performance, as a result, consideration could be made to reviewing the robustness and impact of the strategy to ensure it is effective.

Performance expectations are clearly defined at the start of, and throughout the life of the contract daily and weekly reports are produced and circulated, and reviewed with partnership and performance managers on a weekly basis, as a minimum. Partner comments included:
"Its clear from the beginning and you get daily updates."
"Performance measures are the key drivers of the contract."

Every effort is made to ensure the MI available is consistent, accurate and appropriate, which is shared across the supply chains and used to review and measure performance. The information is made available to partners through a range of methods including weekly reporting, and analysed at monthly performance review meetings and POGs. One partner comment included:
"I'm quite shocked and pleasantly surprised at the level they do share each week, week / year to date for all. I like as can benchmark against peers and it's motivating to the team."

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Partners made reference to Intend, SharePoint, the JMS and the MI reporting portal, which provides a range of information to support partners deliver the service and achieve expectations. Whilst the information is available and a high proportion of partners interrogate the data available the level and methods of monitoring and analysing varies across the supply chains, and within partner organisations, which results in some inconsistencies. As a result, consideration could be made to formalising the approaches to using the data and being mindful of those partner organisations that are less sophisticated and may need additional support. Partner comments included:
"Work smart reports are really useful to identify performance against MSLs."
"Weekly report on daily stats – always have a nosy – especially competitors and gives an idea of how they are doing so we can benchmark ourselves against others."

Partnership and performance managers actively encourage partners to work collaboratively, sharing resources to minimise costs and achieve outcomes, as a result, a number of partners have adopted joint approaches, for example: colocation of offices, and delivering training activities together reduces some staffing costs.

The monthly POG provides partners with the opportunity to review value for money and provide examples of activities throughout the month, for example, providing additional qualifications to ensure customers are work-ready, working with employers to reduce employment costs, etc. In the future, to ensure a consistent approach ensure discussions regarding value for money continue and becomes an embedded practice across all CPAs. One partner comment included:
"Always a focus on value for money, which is linked to the commissioner's aims."

Tier 3 and 4 partners recognise the impact they have as a result of the service provided and as a result believe they provide value for money to the contract as customers are moved closer to the workplace.

The distance travelled by customers is measured through the JMS system for the Work Programme, which is accessible by all partners. It provides a platform to undertake an initial diagnostic and action plan, and subsequently tracks the progression of a customer whilst in the programme. This enables detailed MI reports to show activity against each element of the service delivery. As previously stated, further consideration could be made to those partner organisations that are less sophisticated and may need additional support to fully utilise the information available.

Avanta prepare the MI from the PICS system and share with the Skills Programme partners, which provides information relating to the journey of customers from start to finish.

3e) Promoting Diversity and Equality

Avanta has recently achieved C2E Gold Standard, which demonstrates a commitment to ensuring equality across the organisation, including employment and service delivery. Consequently, the organisation aims to ensure partners are aligned to its strategy and approach in order to meet expectations and operate in line with the values, which is outlined within the SCMF, to *'operate in the spirit of individualised support to drive success irrespective of the starting point'.*

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Partners confirmed that they are expected to demonstrate a commitment to diversity and equality, aligned to that of Avanta, through the submission of an appropriate policy during due diligence, which is subsequently checked on an annual basis throughout the life of the contract to ensure it is in line with current requirements and addresses any changes in legislation. Some partner comments included:
"This is something we had to demonstrate when we became a supply chain partner."
"Avanta policies very much aligned to our own as a council."

Partners also confirmed that they are expected to promote diversity and manage equality at every opportunity, and gain support from Avanta through a range of learning and development resources, for example, Avanta.me e-learning activities. Some partners also made reference to new, bite-size training resources being available on SharePoint, which provides additional support for delivery staff to promote diversity and manage equality. In addition, SharePoint provides a platform to share best practice and other resources to support partners, for example, Diversiton Calendar.

All partners capture diversity and equality data and submit to Avanta in line with the commissioner / procurer requirements. Partners made reference to the JMS system and suite of MI available to access data, which contains summary reports along with more detailed reports for customer age, gender, ethnicity, disability, learning difficulty and wider protected characteristics including the wider ESF monitoring data of target groups.

At partner level, the data is monitored, analysed and used to identify trends and areas to review service delivery, as previously stated, Avanta could be more mindful of those organisations that are less sophisticated in their ability to interrogate the data. Partners made reference to the data being reviewed and analysed throughout the monthly performance review, however, the depth of interrogation of data varied throughout the organisations. Some partner comments included:
"Analysed payment group five and there were over 130 referrals, we then realised that the Advisor didn't understand the payment groups."
"We had some information through, which showed the percentage of women going into work."

Some partners made reference to monitoring and analysing the data at monthly POG meetings, for example:

- Achievement gaps and engagement issues with payment group 6 and as a result developed resources at local level, which progressed to CPA wide,
- Men between 40 and 50 achieve high start rates in employment and as a result introducing a mentoring scheme,
- A high number of Bangladeshi customers in comparison to BMEs and as a result introduced a specific course for English for Speakers of Other Languages (ESOL) for employability skills.

Whilst there is a level of sharing, monitoring and analysing diversity and equality data, in the future, consideration could be made to developing a more consistent approach across the CPAs / contracts and encouraging the sharing of good / excellent practice across the supply chains to improve performance and develop a holistic approach.

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4 Review

4a) Supply chain review

Feedback is gained from customers through survey monkey, evaluation sheets and forums, and the findings are used to improve delivery of the service, for example, a change was made to a tutor to address the delivery of Pre Employment Training (PET).

As previously stated, partners are aware that feedback is gained from customers through a variety of methods, however, the areas of strength and those to consider for improvement could be communicated to partners on a more timely basis.

Performance reviews, weekly communications, survey monkey and exit interviews are used to gain feedback from partners, as well as the monthly POG meetings which include facilitated feedback discussions. Once again the findings are utilised to contribute to continuous improvement within the supply chain, for example, streamlining documentation.

Whilst the organisation has gained some feedback as a result of the methods adopted, consideration could be made to the appropriateness, impact and value of these approaches with the aim of identifying more innovative and appropriate methods to engage customers, partners, employers, etc. for example, text alert, Facebook, etc.

Feedback is also gained from external stakeholders, for example, political party ministers, LEPs, LAs, employability networks, Jobcentre Plus, ERSA, DWP and other audit and inspection / assessment bodies, for example, **matrix**, OFSTED and C2E. The feedback is embraced and utilised to inform and improve practices, for example, identifying measurements for soft skills required by customers, etc.

A SAR is generated for the Work Programme on an annual basis, which involves all partners and includes feedback from other external stakeholders, for example, DWP, SFA, ESF, etc. In the future, consideration could be made to identifying and involving additional stakeholders, for example, tier 3 & 4 partners, customers, etc. The findings are incorporated in the Quality Improvement Plan (QIP), which is presented to, and challenged by the Executive Management Team and subsequently monitored by the Head of Quality & Curriculum.

In line with the commissioner's requirements a SAR is generated for the Skills Programme on a monthly basis, which links to the QIP and monitored by the Head of Quality & Curriculum.

Partners are encouraged and supported to undertake their own SAR using the Avanta template (if required) to generate their own QIP, which informs improvements to quality and performance on an individual basis.

The partners were initially informed of the wider policy and strategy information, and how the activities of the supply chain were aligned through EoI, presentations and performance reviews.

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Subsequently, communications have been delivered through email and more recently Intend, and whilst it is recognised that Intend is in its infancy, consideration could be made to developing an effective communications strategy in consultation with partners to ensure consistent communication across the supply chains of information from the commissioner / procurer.

The communications are reviewed through performance reviews, tele-kits and POG meetings, if appropriate, to ensure partners understand the changes, how their services are aligned and have a measurable impact. Some partner comments included:
"They are very focussed on aligning, strategic, contract and supply chain partners objectives."
"Approaches aligned to meeting the objectives for the council as well as DWP and the government."

Senior managers have a good understanding of how the supply chains have impacted on the wider social objectives / policy intent of the commissioner / procurer, and made reference to the following achievements:
"Enterprise growth – 3700 people set up in business."
"English and maths is embedded across the delivery."
"Managed to be successful across all payment groups, not just those focussed on by DWP."
"We've integrated skills and employment by getting people back into employment, education or training."
"We've supported recruitment and the economy in local areas."

Partners understood the wider objectives / policy intent of the commissioner / procurer and how they impact on some elements at local level, for example, reducing worklessness, social exclusion, poverty and homelessness, etc. Some partner comments included:
"We got 187 people into work, which makes a positive difference to local communities."
"As we work in a deprived area links are made to the success we're having."

In the future, consideration could be made to clearly monitoring, measuring and communicating the impact of the supply chain for each CPA on the wider social objectives / policy intent to enable partners to provide quantifiable examples.

At the start of the Work Programme the initial strategy was to ensure sufficient coverage in all CPAs and a level of flexibility to continue to deliver the service in the event of a partner terminating their contract or losing the contract due to poor performance. This strategy has proven to be successful, as partners have left the supply chain, and others introduced to the supply chain and / or increased volumes. This strategy continues as Avanta have recently promoted an EoI activity to ensure a robust and diverse supply chain is designed and maintained.

A new payment group and an increased focus on others, for example, payment group 6 has resulted in further research being undertaken to identify customer needs and a review of the supply chains. Consequently, as previously stated a number of new partners have been introduced to the supply chain; tier 3 & 4 to provide specific services, and a Champion for those partners has been recruited with the aim of being proactive in the future; identifying the changing needs of customers.

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Partners believe they make a positive impact on external stakeholders and encourage people / 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.

Partners confirmed that they are aware of the One Planet Strategy, have targets to contribute to environmental sustainability and conscious of the need to complete the SAR for environmental sustainability. As a result, partners provided examples of the impact they had on environmental sustainability at local level, which included:
"Reduced carbon footprint due to less travel requirements by Avanta."
"Reviewed our policies in how we store rubbish and recycle."
"When we refurbished the office we put lights in with sensors."

It is evident that Avanta and their partners work together to deliver the services to gain positive outcomes for customers and there is a good understanding regarding the performance against targets. In the future, consideration could be made to developing a more robust, formalised approach within the CPAs / contracts to ensure partners truly understand the impact of the supply chain, specifically referencing external stakeholders, employee / people well-being and environmental sustainability.

Conclusion

Avanta continue to meet the requirements of the Merlin Standard, having demonstrated that their behaviours are positive and supportive, and communication is open and honest.

It was evident throughout the assessment that Avanta had responded positively to the feedback provided throughout the initial assessment in 2012 and as a result had improved its practice across all four principles of the Merlin Standard. Whilst a number of areas of excellent / good practice have been demonstrated, the challenge they face is to maintain and 'fine tune' systems and processes across the supply chains, which will contribute to continuous improvement.

Consistent comments made by partners regarding the management of the supply chain demonstrate that Avanta have fully embraced the Merlin Standard and continually strive to improve.
"Straightforward."
"Open and honest, always supportive."
"Want to be the best and strive to improve."
"A 'can-do' attitude."

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