



**merlin**

promoting supply chain excellence

**Assessment Report**

**For**

**G4S WELFARE TO WORK**

**By Ruth Regan**

**On behalf of emqc Ltd**

**Assessment Dates: 09/06/14 – 12/06/14**

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## About the Organisation

G4S is one of the world's leading supply chain managers, spending £300m each year working with over 6,000 Subcontractors across its various supply chains.

Since it was formed in August 2010, 'G4S Welfare to Work' (G4S) has operated as Prime Contractor for three Work Programme contracts and one European Social Fund (ESF) Support for Families with Multiple Problems Programme on behalf of the Department for Work and Pensions (DWP). Work Programme contracts are held within three Contract Package Areas (CPAs): CPA07 – Greater Manchester, Cheshire and Warrington; CPA10 – Surrey, Sussex and Kent; and CPA18 – North East Yorkshire and the Humber. The ESF Family Support Programme Contract covers CPA06 – Greater Manchester, Cheshire and Warrington.

On 29<sup>th</sup> April 2014 G4S was confirmed as a Prime Contractor for the Community Work Placement programme in 6 CPAs: the East Midlands; East London; West London; Cumbria, Lancashire, Merseyside and Halton; Hampshire, Thames Valley and Isle of Wight; and North East Yorkshire and the Humber.

G4S operates a 100% subcontracted delivery model, with service delivery completed by a diverse range of subcontracted organisations, representing the private, public and third sector.

The entirely subcontracted delivery model conceived by G4S is fundamental to its business ethos and ethics. G4S believes that the model removes any conflict of interest of a Prime Contractor being involved in direct delivery, and enables the creation of a diverse supply chain that provides customer choice.

## Assessment Methodology

This assessment was G4S's second assessment against the Merlin Standard, having been first assessed in June 2012. The scope of the assessment was based primarily on G4S's Work Programme and ESF contract, however the assessment team also factored in the Community Work Placement programme despite the contract being awarded after the initial planning meetings had taken place.

The assessment team was comprised of Ruth Regan (Lead Assessor) and two team Assessors: Christine James and David Folland.

At an initial planning meeting between the Lead Assessor and representatives of G4S - including the person acting as Coordinator for this Merlin assessment - a sample of SCPs were identified that suitably reflected the make-up of G4S'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.

The Merlin Assessment Plan ensured that a diverse range of evidence - including written documentation - was reviewed. This was supported by face-to-face and telephone interviews with representatives of G4S; staff of Supply Chain Partner organisations operating in Work Programme CPAs 07, 10 and 18, and ESF Support for Families Contract CPA06.

Job Brokers delivering end-to-end services to clients; Knowledge Bank organisations offering specialist support services such as debt and housing advice, or drug and alcohol rehabilitation; and partners joining the Community Work Placement Programme supply chain all contributed to this assessment.

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.

## Assessment Outcome

<b>Overall %</b>	<b>85%</b>
<b>Overall Outcome</b>	Excellent
<b>Supply Chain Design</b>	Excellent
<b>Commitment</b>	Excellent
<b>Conduct</b>	Good
<b>Review</b>	Good

## Strengths

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

- ▲ The supply chain has continued to evolve and includes a diverse range of public, private, and third sector organisations, to ensure that customer needs are met and performance levels across the CPAs and the contracts as a whole are achieved. (1a & 4a.5)
- ▲ G4S has a very clear understanding of commissioner and customer needs and this is translated through to its supply chain strategy. (1a & 4a)
- ▲ Organisations new to the supply chain expressed how clear, open and transparent the procurement process had been. Particularly worthy of praise is how easy it was for organisations to express an initial interest in working for G4S. (1a & 2a)
- ▲ Supply Chain Partners believe that changes made to the personnel managing the contracts/CPAs have enabled the development of far more collaborative and cooperative relationships between G4S and the supply chain. Communication is perceived to be open and honest and interactions supportive and positive across the network. (2a.1, 2a.2, 2a.3, 2a.4, 2a.5, 3a.3 & 3d.1)

- ▲ All the organisations interviewed during this assessment were clear as to the business relationships underpinning the supply chain arrangements they have with G4S, and there was no ambiguity evident. (2a.4)
- ▲ The supply chain includes organisations of a variety of sizes, sectors and levels of business sophistication. The less developed organisations have been supported to grow in terms of their business and delivery capability. This has come through the support given by the G4S Supply Chain Managers, opportunities to collaborate with other members of the supply chain, and the sharing of best practice. (2a.3, 2b.1, 3b.8 & 3d.1)
- ▲ When discussing contracting, funding, fees, costs, etc., both G4S and Supply Chain Partners across the various contracts commonly use words such as 'honest', 'open', and 'transparent'. (2c)
- ▲ The Quality Review Group has developed, implemented and continued to monitor a robust and consistent approach to performance managing and quality assuring the Supply Chain Partners, from mobilisation to exit of a contract. (2a.1, 2c.1, 2c.6, 3b.1, 3b.2, 3d.2 & 3d.3)
- ▲ The new Management Information platform iSET is acknowledged by G4S and their supply chain to be an improvement on the previous system. Supply Chain Partners receive daily performance information and Supply Chain Managers can provide additional information if requested. (3d.4)
- ▲ Policies and procedures to maintain security of data and assets, health and safety, and safeguarding are robust and embedded across the supply chains. This commences during due diligence activities and continues to be monitored throughout the life of the contract. (3b.4, 3b.5 & 3b.6)
- ▲ Pre- and post-contract negotiations are clear and open, the finance and contracting arrangements reflect the initial agreements, and in the event of variations/changes to the expectations or terms and conditions these are communicated effectively. (3c.1)
- ▲ Knowledge and understanding across the supply chain of the wider social objectives/policy of the commissioners is impressive. (4a.3)

## Areas for Improvement

The following areas have been identified as opportunities for G4S 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.

- ▲ Despite efforts made since the last Merlin assessment, the Knowledge Bank provision remains underutilised. Consideration needs to be given to how this group of organisations can be maintained, and whether doing so will add value to the supply chain. (1a & 4a)
- ▲ Collaboration within some CPAs is working exceptionally well. However some Supply Chain Partners, particularly those operating across CPAs, believe that some G4S staff encourage competition over collaboration. Consider how CPA teams might share their approach to collaboration, and agree common approaches and styles which facilitate collaboration. (2a.2 & 2a.3)
- ▲ Consider making the links between consultation and subsequent decisions clearer to the Supply Chain. (2a.2)
- ▲ Ensure appropriate support is given when any organisations that are new to the Welfare to Work sector join the supply chain. (2b.1)
- ▲ As a Prime, G4S undertake a lot of work on behalf of their supply chain which they do not always share, consider the benefits of sharing some of outcomes of this work with Supply Chain Partners. (2c.8)
- ▲ Consider the benefits of undertaking a 360 degree feedback exercise for all members of the supply chain management teams, aligned to the G4S core values/behaviours. (3a.1)
- ▲ Define and share value for money examples in terms of what G4S does over and above its contract requirements as a Prime Contractor. (3d.5)
- ▲ Review whether more could be done to consistently quality assure and measure the distance travelled by customers. (3d.6)
- ▲ G4S has a clear strategy to support environmental sustainability and has ensured that Supply Chain Partners also have some policies and procedures in place. However, consideration should be given to involving partner organisations in the design of improvement objectives and measuring their impact across the supply chain. (3b.7 & 4a.6)
- ▲ Use impact measurement within iSET to share more than just contract measures with Supply Chain Partners, for instance how what they do as individual members of the supply chain impacts on the wider social objectives of the commissioners. (4a.4)

## Areas Requiring Further Development

G4S has met the Merlin Standard, as described in the 'Assessment Outcome' section. As a result there are no areas for development identified as requiring immediate action in order to gain accreditation. However G4S should consider the above 'Areas for Improvement', in order to continue to seek excellence in all of its supply chain management activities.

## Assessment Findings

### 1 Supply Chain Design

#### 1a) Supply Chain Design

Since the last Merlin assessment G4S has introduced a 'review and change' model, ensuring that regional teams regularly review supply chains and make changes where required – whether due to performance issues or the changing needs of customer groups such as Employment and Support Allowance customers. Supply Chain Partners were initially - and continue to be - selected based on their track record and experience, geographical coverage, and for their specialisms. Element 2c carries more detail of the selection process itself.

- ▲ *"...our strategy is clear: we want the best performing subcontractors delivering for G4S."* – G4S

The scope and variety of the current 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, ranging from other Prime Contractors to local community based niche providers, enables the commissioners' objectives to be addressed effectively. The G4S supply chain consists of the following volumes of organisations:

- ESF Family Support Programme – 13 (2 Public, 8 Private, 3 Voluntary/Charity)
- Work Programme – 23 (4 Public, 11 Private, 8 Voluntary/Charity)
- Community Work Programme – 18 (2 Public, 10 Private, 6 Voluntary/Charity)

- ▲ *"...we wanted a role in getting our people back into work. Did an EOI for most Primes but were too small, but Medway Council approached us to ask us to work with them as part of the G4S bid – which we did."* – Supply Chain Partner

The delivery methodology used by G4S is one designed to ensure that tailored, individualised support is provided to customers through its 100% sub-contracted model. This ensures that niche providers can be introduced into the network to enrich the supply chain and address the holistic needs of customer groups and local demographics. For example, one organisation has been encouraged to further subcontract some of the Work Programme delivery to two providers, both of which are charitable organisations with strong community links that provide a range of support services to customers and the local community.

Supply Chain Partners and G4S develop partnerships by getting involved in various local and regional initiatives. Organisations joining the Knowledge Bank, for example, are specialist organisations identified to meet the additional services and to address specific needs to progress customers through their journey towards sustained employment. The partnerships that have been built include:

- Basic to advanced IT training, i.e. ECDL courses
- Sector specific training, i.e. Health and Safety, SIA Training and Health and Social Care Level 1 qualifications
- Financial advice and debt management support
- Information, Advice and Guidance Support

- Self-Employment advice and support
- Mental Health First Aid

The majority of Supply Chain Partners feel the network contains the right mix of providers and none could think of any major gaps in supply.

- ▲ "...strategy is to have the right end to end Brokers in place with the Knowledge Bank offering wrap-around support." – G4S
- ▲ "...the supply chain have their own partners and providers who they use – it's an important aspect of the procurement strategy." – G4S
- ▲ "...we go to Job Broker Supply Chain Partner offices to deliver the service. We have set days a week when we will be on provider premises." – Knowledge Bank Supply Chain Partner

## 2 Commitment

### 2a) Collaboration, Cooperation and Communication

The procurement processes for organisations recently joining the supply chain were found to be highly effective and transparent. Supply Chain Partners commented that they found the communications throughout the procurement process to be clear, consistent and robust. As with the initial procurement process, when the need to replenish and refresh the supply chain was identified, a competitive tendering and selection exercise was completed to identify suitable organisations. This was completed via a three-stage approach with effective methods of communication underpinning the whole process.

Stage 1 - A targeted marketing campaign outlining G4S's procurement criteria and evaluation process: Specifications were developed to outline the service need for each procurement round. These included:

- Current performance and where appropriate latest MI reports
- Payment models
- Contractual and Performance expectations
- A named G4S contact and next steps

All interested organisations received the same information to ensure a fair process was followed.

Stage 2 - Open and transparent discussions about the specification: Interested organisations were invited to complete proposals outlining their capacity (financial and resource), performance offer, equality of opportunity, health and safety, quality and compliance arrangements, experience and expertise. Informal Q&A, e.g. discussion on any upfront payment requirements.

Stage 3 - Submissions evaluation and contract award: Short-listed Supply Chain Partners were invited to attend pre-tender face-to-face negotiation meetings to discuss and agree specific elements of delivery, capacity, costs, mobilisation plans and geographical spread.



Weekly mobilisation meetings between the relevant Supply Chain Manager and the organisations joining the supply chain took place to review progress against the plan and agree next step actions. These were held where possible via face-to-face meetings, or over the phone.

- ▲ *"...we talked to each organisation who expressed an interest in becoming a Community Work Placement Supply Chain Partner about the business model and the finances. Following this we asked about geographical delivery areas, how many placements they could provide and examples of the quality of placement opportunities."* – G4S
- ▲ *"...as with previous mobilisation activities, a team of G4S staff were deployed to each CPA to ensure the process flowed and timescales were met."* – G4S

In summary, G4S uses a number of methods to communicate throughout procurement activity:

- Face-to-face – to support the building and development of subcontractor relationships.
  - Telephone one-to-one/conference calls – for regular contact to be maintained throughout the procurement period.
  - Email – used to ensure consistent messages/information is delivered. These were also used to formalise processes, decisions and answer queries raised. G4S have a policy of responsiveness and all emails are responded to within 48 hours.
  - Key documents/reports – used to share information in an open and transparent way and ensure consistency of information being shared.
- 
- ▲ *"...we don't want to create barriers for organisations joining our supply chain."* – G4S
  - ▲ *"...the tender process was open and transparent – gave stats about the size, scale and performance levels - proposal then presentation – then awarded the additional business."* – Supply Chain Partner
  - ▲ *"...feedback on why we were not accepted in one area was given – risk was an issue."* – Supply Chain Partner

The effectiveness of the communication process is clearly demonstrated by the five week period between contract award and the start of the Community Work Placement programme – with G4S and its supply chain communicating and working effectively together to meet the timelines requested by DWP.

Supply Chain Partners confirmed that G4S has a consultative approach to supply chain engagement, ranging from day-to-day consultation about best practice ideas through to strategic consultations regarding contractual and programme developments. For example, working with ESA Advisors from across the supply chain, G4S has created a range of guides to ensure all ESA Advisors had consistent guidance and support about key processes. In CPA 7 a Strategic Quality Group is being piloted and all Brokers with membership being at a senior level have been invited to attend, ensuring decision makers are around the table who can implement any agreed changes quickly. Members of the G4S senior leadership team described how invaluable feedback from the supply chain had been on the ISIS Management Information System, leading to G4S developing and implementing a new system, iSET.

There are many examples of Supply Chain Partners working and collaborating for mutual benefit. G4S facilitates regular supply chain meetings and Best Practice Forums to share information, allowing partners to support each other and achieve stronger supply chain performance. Examples of how the Brokers have collaborated include:

- Joint marketing meetings with Job Centre Plus in order to promote the service
  - Managers' meetings about sharing good practice
  - Hosted visits with other Brokers on employer engagement practice
  - Good practice visits to higher performing organisations
  - Sharing vacancies in the same area
  - Sharing ways of working to enhance the delivery toolkit across a CPA
  - Working in partnership to support a large employer with their recruitment needs
- 
- ▲ "...*Job Brokers nominate people for the Good Practice Award and then G4S picks a winner.*" – G4S
  - ▲ "...*from day 1 G4S have been good at getting the supply chain together.*" – Supply Chain Partner
  - ▲ "...*meetings, encourage best practice sharing – other providers visit us.*" – Supply Chain Partner
  - ▲ "...*we all collaborated on two employer engagement functions.*" – Supply Chain Partner

All the organisations interviewed during this assessment were clear regarding the business relationships underpinning the supply chain arrangements they have with G4S, and there was no ambiguity evident. Communication channels are clearly detailed in the contract appendices and these include the frequency of and attendance requirements for formal performance reviews.

- ▲ "...*values and our code of ethics – integrity, transparency, open and honest – all integral to us and how we operate.*" – G4S
- ▲ "...*ethics is the key to what we do and how we performance manage.*" – G4S

Each contract has a dedicated Contract Co-ordinator who is the main point of contact for supply chain queries. This individual also co-ordinates the production and distribution of:

- A weekly communication bulletin
- Daily/weekly distribution of the Management Information reports
- Newsletters
- Updates from DWP, including changes to Provider Guidance and Live Running Memos
- Updates from G4S relating to process changes.

Each subcontractor has a dedicated Supply Chain Manager as well as an Auditor, who are available to answer queries on performance, quality, compliance and contractual matters. These individuals work closely with an appropriate Senior Manager/Quality and Compliance lead within the supply chain organisation. Senior Managers within the supply chain also have access to talk to/raise queries with the G4S Contract Director. The Contract Director will also be in attendance for all quarterly performance reviews and where appropriate monthly ones. G4S requests that the appropriate Senior Managers from the supply chain are in attendance at these meetings to ensure that clear lines of communication are in place and maintained.

Should the Supply Chain Partner have any queries relating to finance, claims or systems there are dedicated email addresses in place for them to use.

- ▲ *"...our culture is one of learning and sharing – we want to support our subcontractors."* – G4S

All Supply Chain Partners confirmed that they found the tone and style of communications to be much improved since the last Merlin assessment, with many describing how they believe the tone of communication has changed from what was described as a "... 'stick' approach to discussions to now more 'carrot' approach."

Many individuals described their discussions with G4S as being "...honest, and telling it like it is", and in most cases the performance meetings are seen as a supportive process during which concerns are raised and discussed openly and without constraint.

- ▲ *"...being open, honest and transparent – the more you talk to people the better things are."* – G4S
- ▲ *"...in the early stages of the contract it was very much the stick rather than the carrot with lots of shouting at us to try and motivate us and I told G4S about this - the individual concerned isn't our SCM anymore and the whole process is much better - very supportive."* – Supply Chain Partner

## 2b) Developing Supply Chain Partners

G4S provided examples of working with its Supply Chain Partners in order to help build capacity and to develop strategically. In one case an organization received hands-on support to develop from being a member of the Knowledge Bank to becoming an end-to-end Broker. Other organisations - particularly smaller, community based organisations - described how they were given guidance and support to enable them to make a business-based decision about their abilities to contribute to the Community Work Placement programme.

- ▲ *"...we have worked with some of the charities, for example, to help them understand the IT systems and how they can develop."* – G4S
- ▲ *"...I know G4S want us to develop as a deliverer but they want to see sustainable results and that's fair - I'd expect the same."* – Supply Chain Partner

Whilst G4S have a clear desire to work with organisations that render appropriate specialist support, for many Knowledge Bank providers, encouragement and support has been less forthcoming. Moving forward, G4S needs to re-evaluate the work of this group of providers and how their skills, knowledge and expertise can be best utilised.

Additional funding streams have been brought to the attention of Supply Chain Partners - most recently the opportunities brought about through the Community Work Placement programme. Other opportunities have been shared, for example G4S introduced a Knowledge Bank organisation to the Job Brokers and agreed to fund a pilot to see if the unique services offered by the organisation could support a specific client group to overcome their barriers to employment.

G4S has recently introduced Service Improvement Managers into each CPA and part of their role is to support the supply chain in identification of services that could support the delivery of quality interventions, including identifying additional funding and opportunities, and then supporting where necessary.

In addition to the day-to-day support provided by the Supply Chain Managers there were many examples of G4S being proactive about offering learning and development opportunities to the staff across the supply chain. Examples shared included:

- iSET training
- Mental Health First Aid / Toolkits
- Training on MI reports and how to manipulate and understand the daily and weekly reports provided by G4S
- Self Employment Training

In addition, G4S has developed a range of workbooks covering specific topics such as health and safety, and Data Security – which is mandatory for anyone joining the delivery teams across the supply chains.

- ▲ *"...we have run extrapolation workshops to help subcontractors understand the impact."* - G4S
- ▲ *"...we attended an extrapolation workshop – if a subcontractor has made an error on a claim then this can be extrapolated across all the outcomes so we are constantly looking at every thing we do to make sure we can protect ourselves – it was a great help."* - Supply Chain Partner

In rolling out major development activities, such as when introducing iSET to the network, excellent use was made of a 'train-the-trainer' approach, giving the staff of Supply Chain Partners the skills, knowledge and ability to deliver training back in the workplace.

## 2c) Contracting and Funding

Organisations who had most recently joined the supply chain to deliver both Work Programme and Community Work Placement were extremely positive about the procurement process. It was described by one new member of the G4S network who also worked for other Prime Contractors as *"...best in class"*. Potential Supply Chain Partners are identified through an established Expression of Interest (EoI) process which was acknowledged as being straightforward and simple to complete. G4S uses a set selection criteria and score to evaluate who would be best placed to deliver. This process was first introduced when selecting the initial supply chain at the beginning of the contract and has been used for any subsequent changes across the Work Programme and the ESF Family Support Programme, and latterly the Community Work Placement Programme. Successful applicants were then put through a standard yet robust due-diligence process that includes financial stability. Both a successful organisation and one who had not made it onto the supply chain described the feedback process as being effective and fair. The feedback consisted of the reasons why they had been successful/unsuccessful. If unsuccessful, areas for improvement were provided, should a further opportunity to subcontract with G4S present itself.

- ▲ *"...the EOI and the PQO is a lot less onerous - we didn't need to clarify anything with G4S but if we did I'm sure they'd have helped"* – Supply Chain Partner
- ▲ *"...they have had the best procurement process we have seen of any Prime – they are particularly good because firstly the written process was fair and balanced, secondly they had a lot of dialogue with you, thirdly - which is a very important point - is that they had a very straightforward process initially then when they thought they might want to work with you they took it deeper."* – Supply Chain Partner

Supply Chain Partners described how the robust communications between themselves and G4S had made the funding arrangements - including the management fee levels and purpose - clear from the very start. The G4S funding models are in the public domain. In most cases, contracts cascaded to the supply chain reflect the terms from DWP. However, a number of Supply Chain Partners shared examples of how G4S had flexed payment arrangements to ensure that potential financial risks were mitigated - especially as some organisations initially struggled with the payment by results payment model.

For example, in some cases all attachment revenue is passed through community sector Supply Chain Partners, and there have been instances of DWP applying deductions which impinge on small organisations. G4S has flexed payment terms to support those organisations which elevated cash flow concerns. Within the ESF Family Support Programme G4S has proactively worked with DWP, ERSA and the supply chain to renegotiate changes to the payment model. This has enabled the programme to become financially viable and supported existing and new Job Brokers to be able to deliver.

- ▲ *"...one of the smaller charity SCPs contacted me to say they were struggling with cash flow and were worried that they wouldn't be able to pay people before Christmas, and was there anything we could do about paying them for the outcomes they had already achieved. I contacted finance and some of the other managers and we made a payment to them for some of the outcomes - it felt really good."* – G4S
- ▲ *"...we didn't get the attachment fee so we negotiated a payment based on taking on this commitment."* – Supply Chain Partner
- ▲ *"...they arranged expedited payment terms to help with the cash flow."* – Supply Chain Partner
- ▲ *"...finances – work on that early on in the process - earlier than anyone else we bid to work with so we had all the information we needed to make decisions to proceed."* – Supply Chain Partner

G4S cascades its own contractual terms with DWP down to the Supply Chain Partners, with appropriate amendments to detail the obligations of both parties. For example, clause 1.5 stipulates G4S's obligations under the contract and section 3 details the Payment and Fees, while section 2 of the contract stipulates the obligations of the Supply Chain Partner in the supply of services. Partners confirmed that G4S gave them their individual contracts before they needed to be signed so that they could digest the information in plenty of time.

- ▲ *"...I'm fully aware of what we need to do."* – Supply Chain Partner
- ▲ *"...very clear contracts exchanged."* – Supply Chain Partner

All contractual arrangements clearly define each organisation's market share. Any changes made to this are based on the performance of each Supply Chain Partner. At supply chain meetings and performance review meetings, market share is openly discussed and any changes made communicated and agreed.

- ▲ *"...geography is the key."* – G4S
- ▲ *"...one week we get the referrals the next week X get them - obviously we'd like them all but we're OK with that."* – Supply Chain Partner
- ▲ *"...G4S are quite transparent about who is doing what – we know who else is delivering."* – Supply Chain Partner
- ▲ *"...Work Programme delivery has increased and over time we added Family Support Programme work and additional flows – the amount of work has grown."* – Supply Chain Partner

G4S staff are committed to taking the time to agree contractual arrangements and then do what they said they would do. This is to support stability, consistency and fairness across G4S's networks. Consequently G4S engaged in extensive and transparent negotiations throughout the tendering process across all the contracts and then followed this through during post-tender negotiations and mobilisation.

All Supply Chain Partners are aware of required performance levels and confirmed that their individual needs were taken into account during these negotiations - although some are unsure how the actual targets identified and agreed are generated.

The transfer of funds throughout the supply chain is working effectively with limited examples identified within this assessment of inaccurate or late payments being made. DWP operates on a self-billing arrangement with G4S and this arrangement has been cascaded to the supply chain. Payments are made via BACS on a weekly basis, in line with the contractual payment terms. Some Supply Chain Partners commented that they had found it challenging matching the payments received to the activities/outcomes being claimed but that this level of detail was improving. However, it is something that could be reviewed/developed further, especially as activity levels/outcomes increase.

- ▲ *"...we have flexed payment terms for subcontracts when requested."* – G4S
- ▲ *"...after conversations we have changed payment terms from 30 days to 7."* – G4S
- ▲ *"...we've not had any problems with finance being paid – it's all gone very well."* – Supply Chain Partner
- ▲ *"...we get 'pending payment reports' every 2 weeks which list what's due to be paid. But if there's been a credit for something we were overpaid for or shouldn't have been paid, then because it's not shown separately the numbers appear wrong but we don't know what's wrong about it."* – Supply Chain Partner
- ▲ *"...not all claims are paid smoothly - sometimes the system says 'on hold' but we don't know why it's on hold."* – Supply Chain Partner

The initial discussions around procurement have ensured that all Supply Chain Partners know about the G4S fee, and described how it enables G4S to provide them with support through the Supply Chain Managers and other staff; quality, audit and compliance; referrals; stakeholder engagement with DWP; management information through iSET; etc.

A small number of Job Brokers expressed the disappointment that the management fee was initially described as supporting the services of the Knowledge Bank providers, which has not been effectively utilized.

- ▲ *"...20% management fee for the Work Programme is published and in the public domain – it's all about being honest, open and transparent wherever we can."* – G4S

### 3 Conduct

#### 3a) Demonstrating commercial and business integrity

The working relationships between G4S and its Supply Chain Partners at all levels appear effective and much improved since the initial assessment in 2012. There are particularly strong and effective relationships between some Supply Chain Managers and their supply chain organisations. The Contract Director is particularly proactive in forging strategic relationships with a number of partner organisations. The core principles by which the supply chain is governed and managed are described within a set of seven core values that are embedded and used to drive all elements of conduct and performance management of supply chains. Key words used by both G4S and its Supply Chain Partners to describe the relationship are 'honest', 'open' and 'transparent'.

- ▲ *"...values – it's about being honest – their performance is our performance."* – G4S
- ▲ *"...the thing that attracted us to G4S was the fact that their values are similar to ours - their vision is about sustainable employment and changing lives as well."* – Supply Chain Partner

G4S contractually obliges all Supply Chain Partners to comply with all legal requirements, including Regulation 13 of the TUPE regulations, and supports them in doing so. Having transferred over 40,000 staff, G4S uses this vast experience to understand and fully comply with all relevant legislation. For example, Regulation 13 places an obligation upon G4S and Supply Chain Partners to inform the appropriate representatives of any affected employees of the legal, economic and social implications of the transfer. This includes the effect of the transfer upon contracts of employment and whether G4S and Supply Chain Partners consider that particular employees will, or will not, transfer. G4S contractually obliges Supply Chain Partners to provide this information within sufficient time before a relevant transfer occurs. This enables the employer of any affected employees to consult with the appropriate representatives of any affected employees. Since the last Merlin Assessment, G4S has supported its supply chain on multiple occasions with regards to TUPE obligations within both Work Programme and ESF Family Support Programme contracts.

- ▲ *"...we support organisations with TUPE and make it clear to the incoming Broker where TUPE applies, what the implications are, and how many people TUPE applies to, etc."* G4S
- ▲ *"...from what I can remember TUPE was really straightforward - obviously G4S have knowledge and experience and it really showed."* – Supply Chain Partner
- ▲ *"...staff got TUPE'd over to two organisations and G4S gave good support with that."* – Supply Chain Partner

As identified earlier in this report, the relationships and interactions between G4S and its Supply Chain Partners are positive and have improved over time, due to the approaches and style of particular staff within the G4S team. In addition to monthly and quarterly reviews of performance, Supply Chain Managers are proactive in spending time with individual members of staff of their Supply Chain Partner organisations, undertaking observations and file checks and reviewing a variety of centre activities including one-to-one activities, group workshops and supported job search, etc.

Changes in legislation and statutory requirements are notified effectively through emails and face-to-face communications. For example, when the operational system, compliance and iSET guides are updated to reflect the latest changes on the Work Programme/ESF Family Support Programme these are communicated to the supply chain via email, highlighting the changes made. During face-to-face meetings G4S then requests confirmation that these have been read, understood and implemented accordingly.

### 3b) Quality Assurance and Compliance

The importance placed on the quality of delivery across the provision has increased immeasurably since the original Merlin assessment. G4S has a dedicated Quality Review Group (QRG), comprised of experienced practitioners from differing roles across the business.

The QRG meets on a monthly basis, led by the Head of Quality and Compliance, and are responsible for developing, reviewing and monitoring core documentation such as policy, performance and quality management material, processes, training material, and systems change in respect to the Welfare to Work contracts. The Head of Quality and Compliance is responsible for reporting to the Senior Management Team (SMT) on the QRG activities and recommendations for change. The SMT also drives the QRG to look at particular areas of the business, to ensure a continuous improvement cycle. At the grass roots, Supply Chain Partners are monitored using a variety of methods, including quality checks, observations and weekly/monthly/quarterly performance reviews. In addition the G4S Claims & Compliance and Audit Teams complete validation checks, site audits and dip samples, etc.

- ▲ "...we give a score out of 100 following an audit." – G4S
- ▲ "...first couple of compliance audits we were not clear about what was expected – they are getting smoother now we know how they work." – Supply Chain Partner
- ▲ "...they separate quality and audit compliance which works well." – Supply Chain Partner

In addition, G4S monitors staffing levels against the number of customers that are allocated to each individual Supply Chain Partner, and if it is felt that caseloads are too high to ensure quality of provision then G4S will liaise with the organisation to look at other possible staffing structures or recruitment plans.

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



The Quality Assurance Cycle is reviewed regularly by the QRG to ensure it is still fit for purpose, and to identify any trends which are either areas of good practice - which can be shared during Best Practice Forums - or common areas for improvement - which might be addressed through the sharing of information, or provision of training, etc.

Partners confirmed that the findings of quality and compliance activities are fed back orally and agreements reached about 'next steps'. They are then provided with a written report which includes a summary of findings, identified best practice and recommendations for improvement.

- ▲ *"...it is important to understand that our Blackbox is transparent – it's a force-field which stops the central team prescribing what partners do – it doesn't mean we don't look at what they do and how they do it– but we don't prescribe the how."* – G4S

With well-established Supply Chain Partners - many of whom have a long history in the field of Information, Advice and Guidance - G4S is able to demonstrate that access to good quality provision is made available and promoted to customers at the point of delivery, and this is observed as part of the G4S QA activity. Many members of the supply chain hold the **matrix** Standard, supporting the delivery of effective IAG to customers. There are also a number of delivery staff across the network who hold IAG level 3 and 4 qualifications and/or are working towards their Employer Related Services level 3 qualification, which includes an element of IAG. Information being shared to Supply Chain Partners by G4S will often be reviewed by the QRG before being published, to ensure it is accurate and effective. However, some organisations believe they can, on occasion, receive too many emails and they admitted that they have started ignoring some, working on the assumption that if it is important then G4S will contact them directly.

- ▲ *"...key communications will go to QRG to make sure they are correct."* – G4S

Supply Chain Partners confirmed that policies pertaining to the security of data, a healthy and safe work environment and the safeguarding of people at risk were all submitted to and scrutinised by G4S as part of the initial due diligence process, and are re-submitted on an annual basis.

- ▲ *"...G4S don't just assume that we've got everything in place - we're asked to send updates each year."* – Supply Chain Partner

As part of procuring new Supply Chain Partners, G4S provides detailed information on the various system requirements and this includes data security. Data security within G4S 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. Partners confirmed that measures to ensure information security are robust. Expert guidance and support is available to Supply Chain Partners from G4S's Welfare to Work Data Security Lead, and staff across the network can raise any queries they have relating to data security through a dedicated email address. In addition, each regional team has an appointed data security lead, with ownership for ensuring that updates are provided and making sure that any incidents are recorded and raised.

Partners confirmed that G4S operates a strict and robust starters and leavers process, ensuring that access rights and the recovery of assets including customer files, etc. are managed effectively. Since the last Merlin assessment, G4S has developed and distributed a Data Security Workbook which is completed by all G4S and Supply Chain Partner staff as part of their induction to working on the contracts.

- ▲ *"...we developed a data security workbook for subcontractors – the use of the system, locking machines, use of complex passwords etc., how they store and manage their client files – all links back to DWP requirements and the subcontractor's processes."* – G4S
- ▲ *"...we review the workbook every six months based on any data security incidents that have been raised in that time."* - G4S
- ▲ *"...there is a data security lead within the SCM team - they are the 'go to' person."* – Supply Chain Partner

Health and Safety requirements and responsibilities form part of all contracts agreed with Supply Chain Partners. Requirements include compliance with the Health and Safety at Work Act 1974, and each partner is required to have a Health and Safety policy statement that meets the G4S requirements as a minimum. Implementation of the policies is reviewed formally during the monthly and quarterly performance review meetings, and by Supply Chain Managers on an ongoing basis as they visit Supply Chain Partner premises. Since the last Merlin Assessment, to support ongoing awareness and responsibilities of Health and Safety within G4S and the supply chain, G4S has produced and distributed a Health and Safety Workbook.

- ▲ *"...there is an opportunity to report any H&S issues within the monthly report."* – Supply Chain Partner
- ▲ *"...audits – health and safety for example – individual sites scored then pulled together for the organisation – shared and transparent."* – Supply Chain Partner

A similar situation exists for safeguarding, with initial checks on policies in place through the procurement processes, and ongoing monitoring of Supply Chain Partners for effective practices during the reviews and inspections by G4S staff.

Designated Safeguarding Officers are in place across the CPAs so staff within the supply chain know who to contact at a local level. G4S has produced a safeguarding poster which is required to be displayed in all supply chain delivery sites.

With both safeguarding and health and safety there remains a need to continue the work to drill down to review how policies and processes are audited and assured across the Knowledge Bank provision.

There are policies in place throughout the supply chain related to Environmental Sustainability, and contractual documentation clearly identifies the responsibilities of Supply Chain Partners in minimising their impact on the environment at all times. This includes, but is not limited to, reducing their energy usage, promoting recycling and minimising waste.

G4S itself is subject to ESF and DWP audits on a regular basis and has developed a Sustainable Development Questionnaire which partner organisations are asked to complete - this supports G4S's own submission as per their contract terms. Whilst G4S has made some good strides forward in understanding its own performance related to Environmental Sustainability, members of the supply chain were less knowledgeable about their own position or what improvement targets might have been set.

- ▲ *"...I don't ever remember seeing any targets for environmental sustainability."* – Supply Chain Partner

There are examples of 'best practice' being shared and demonstrated. These include an extensive use of pilots to determine feasibility of new processes, ways of working and the partnership arrangements entered into. Performance reviews, quality checks, observations, monthly supply chain meetings and quarterly Best Practice Forums all provide the opportunity for best practice to be identified and shared across the supply chain. For example Supply Chain Partners described how at a recent Best Practice meeting they had been asked to identify their two best progress measures to share with their peer group. As another example, two new Job Brokers within the ESF Family Support Programme described how they had supported each other by sharing workshop materials used to support customers through individual progress measures.

- ▲ *"...we split sessions into operational and strategic so we can share and learn at the appropriate level."* - G4S
- ▲ *"...we show not tell – it's their business – they need to make the decisions."* – G4S

### 3c) Honouring Commitments

G4S has managed the majority of Supply Chain Partners' expectations well with effective communication throughout the procurement phase, during mobilisation and during the lifetime of the contract. For the Work Programme expectations were very clearly defined from the outset and these were flowed through post contract. Supply Chain Partners delivering the ESF Family Support Programme described how, due to funding and contractual changes made by DWP, they had seventeen variations to contract.

These included the introduction of the secondary referral route, changes to the payment model and extensions of contracts. Supply Chain Partners confirmed that during these changes G4S consulted and communicated with the network through supply chain meetings and individual Performance Reviews. Many of the variations have been as a result of G4S working closely with DWP, providing recommendations to ensure that the contract was viable and enabling monies to be fed down to the supply chain to be able to deliver the service required.

- ▲ *"...the negotiations re the families project are reflected in what we're delivering now."* – Supply Chain Partner
- ▲ *"...pre- and post-tendering discussions for the Community Work Placement Programme have been consistent – fair and transparent throughout. No bid candy – no subtle changes at all."* – Supply Chain Partner

G4S maintains a clearly defined dispute resolution process which is outlined in each subcontract G4S holds with their Supply Chain Partners. Supply Chain Managers act as the initial point of contact when addressing any queries and concerns from partners, and Contract Directors regularly engage with senior management within the supply chain to receive feedback and address concerns. Supply Chain Partners were generally aware of the dispute resolution processes and how to access it through their Supply Chain Manager should the need arise.

- ▲ "...we have had no formal disputes with subcontracts." – G4S
- ▲ "...we had one partner who was very unhappy about decisions made – it didn't become a formal complaint – I hope we managed it sensitively." – G4S

G4S senior staff confirmed that they would abide by any decision made by the Merlin Mediation Service, and all Supply Chain Partners who were aware of the Merlin Mediation Service/Independent Case Examiner confirmed that they believed that G4S would abide by any decision made by either body, though in reality, these options have not as yet been required.

All Job Brokers confirmed that they were clear about performance expectations, as these had been negotiated and agreed as part of the pre-contract dialogue with G4S and set out within contracts exchanged. These targets continue to drive performance and are openly discussed with individual Supply Chain Partners, with CPA/contract targets and achievements openly shared across the network. However, some Job Brokers did express a desire to know more about how the target figures provided during the contract had been worked out. One Supply Chain Partner commented, "...G4S talked about it being 'scientific' but we haven't seen the formula."

- ▲ "...targets are worked out centrally so some science is applied based on referral received." – G4S
- ▲ "...clear about what is expected – performance used to be clearer than quality. Quality expectation is there – you still have to dig a bit but it's a higher profile than it used to have." – Supply Chain Partner

### 3d) Performance

G4S has worked hard to establish and encourage collaborative working through the sharing of, for example, best practice, vacancies and employers, performance management measures, as well as documents and templates. This approach is taken across the CPAs, and Supply Chain Partners confirmed that collaboration had improved - however some geographical areas make collaboration more difficult due to vast differences in labour market needs.

- ▲ "...G4S work hard at encouraging collaboration – but at times it seems a competition due to the way the stats are produced." – Supply Chain Partner

G4S has demonstrated effective performance management processes and practices, which Supply Chain Partners acknowledged had become more quality and improvement driven since the previous Merlin assessment.

Performance is still priority, but both G4S staff and those of the supply chain described how quality of provision was now equitable with performance. Monthly and quarterly reviews - as described earlier in this report - are used to determine progress against contract requirements and give the Supply Chain Partners a clear opportunity to raise issues and discuss concerns. Any under-performance identified within a Supply Chain Partner results in a targeted Performance Improvement Plan (PIP) being drawn up and agreed between them and their Supply Chain Manager, and this drives any subsequent reviews, audits and inspections until such time as the shortfall is addressed. RAG ratings are given based on actual performance vs. expected performance and PIPs can be escalated if improvements in performance are not seen within a three-month window. However, not all partner organisations appear to fully understand the PIP process and likened it to moving from an Ofsted 'excellent' to 'needs improvement' with a very short timescale.

- ▲ *"...we have a three level Performance Improvement Plan process – at PIP level 3 G4S can stop flows to support the organisation get back on track – it gives them time to re-group."* – G4S
- ▲ *"...three months is the norm before the contract is removed but we will try and give them time and opportunity to show reasonable improvement."* – G4S
- ▲ *"...if organisations are on a PIP we will help them move forward – but it is still their business so they need to make the business decisions on a way forward."* – G4S
- ▲ *"...I think we're managed in a more robust way now - not micromanaged though, we're left to get on with what we do best."* – Supply Chain Partner
- ▲ *"...every Wednesday we have a teleconference with the Supply Chain Manager summarising the performance to date."* – Supply Chain Partner

Through effective monitoring and robust reporting, Supply Chain Partners confirmed that they are very clear as to their performance expectations. For example a daily performance report is circulated to all G4S Regional Teams and Supply Chain Partners to allow ongoing monitoring of performance, and monthly and quarterly reviews allow for face-to-face discussions about performance. Internally, G4S reviews overall performance on a weekly basis and involve the Contract Directors, Director of Welfare to Work and Financial Director. These meetings review the delivery of targets, forecasts and strategic plans to deliver the contracts on behalf of the commissioner.

During the previous Merlin assessment the MI system being used by G4S, ISIS, was acknowledged as being a major weakness, and following a thorough business review a decision was made to move to a new system, iSET, which G4S now uses as the basis for the MI across the supply chain. A 'train-the-trainer'/super-user approach has been used to enable staff across the supply chain to gain an understanding of the new system. The supply chain have been able to influence the iSET system and have given their feedback on what additional functionality they would like the system to provide. G4S has responded to this feedback by developing further reporting functionality.

- ▲ *"...iSET – we are in a better place than we were with ISIS – we have a stable system that supports the customer journey linked to the outcomes required. It's a real positive move."* – G4S

- ▲ "...we have done a number of upgrades, made changes to the infrastructure, added more processing power and had feedback that changes made to firewalls have improved performance – calls to the helpdesk have fallen off considerably." – G4S
- ▲ "...ISIS was bad and iSET is an improvement – it's more user friendly but we still can't get data out ourselves - the SCMs have told us we manipulate the stuff ourselves or ask them and they will provide us with reports but it'd be better if we could do it ourselves" – Supply Chain Partner
- ▲ "...the transition from ISIS to iSET went really well." – Supply Chain Partner
- ▲ "...G4S gives us spread sheets on a daily basis which outperform the data that is shared by anyone else. Whoever puts that information together is gifted." – Supply Chain Partner

G4S benchmarks outcomes/value for money against the commissioners' targets as well as against other Prime Contractors. With the focus of the payment system being outcome based Supply Chain Partners questioned were very clear that this is how they calculate value for money in their own minds, commenting "...if the performance is there then I suppose they (G4S) see that as VFM, but it's not really discussed." In the future, to ensure a consistent approach, ensure discussions regarding value for money continue and become an embedded practice across all CPAs.

- ▲ "...value for money – we are sure we offer value for money – if we were not we would have had our funding pulled. We have some great case studies which convince us we offer value for money." – Supply Chain Partner

In looking to measure and encourage demonstrable outcomes and performance improvements, the main process is the customer journey. Management Information reports provide the supply chain with a raft of performance data that contributes to the outcomes of the Work Programme. For example, Supply Chain Partners are provided with data where customers have fallen out of work and how many further days of employment are required to achieve the Job Outcome, and during visits to partner premises G4S Supply Chain Managers will review customer records to assess the quality and level of interventions. Supply Chain Partners gave examples of how G4S had worked with them to identify how customers with very complex needs can be supported through their journey, and what additional progress measures can be introduced to ensure the real client journey is being recorded and funded. A number of Supply Chain Partners did comment that iSET could be developed further to record and monitor the distance travelled by customers.

- ▲ "...activity, engagement and job outcomes are our key measures of distance travelled." – G4S
- ▲ "...we look at tasks set, frequency of appointments, contact plans that are in place – what levels of support are being given – all judge the distance travelled." – G4S
- ▲ "...distance travelled is difficult to pull off the system unless we do it manually by looking back. We can always check if there's been a CV done, a mock interview or a BTW calculation, etc." – Supply Chain Partner
- ▲ "...the info is all there on iSET but it's difficult to pull off specific info on distance travelled without doing it manually, G4S will pull off things for us and then we manipulate it ourselves." – Supply Chain Partner

### 3e) Promoting Diversity and Equality

G4S Welfare to Work has its own Diversity and Inclusion Policy that sets out the underpinning principles of the way G4S carries out its business, aiming to continually promote Diversity and Equality (D&E) throughout the organisation and its supply chains. All those within the supply chain are required to have and maintain a D&E policy or similar that at least matches that of G4S, and compliance with this requirement is confirmed during the procurement process and is subject to audit during an annual review.

G4S asks that all Supply Chain Partners keep records documenting that their D&E policy has been read and understood by staff. Posters provided by G4S promoting D&E are also expected to be displayed in all partner delivery sites. Supply Chain Partners confirmed that they are expected to demonstrate a commitment to D&E aligned to that of G4S, and that they capture relevant data to submit to G4S in line with the commissioner/procurer requirements.

- ▲ *"...we are judged on groups 1, 2 and 6, but we talk to Supply Chain Partners about how we are performing across all the groups."* – G4S

Reports can be generated from iSET to allow G4S and the supply chain to fully analyse the make-up of its customers on the four protected characteristics, to help with the shaping of services as necessary. For example, through analyzing their data, one Supply Chain Partner realized that there was a high level of certain client groups failing to attend within a particular area and arranged to use community centres to engage with this cohort, and also invited specialist support from housing, debt and other support providers. Partners confirmed that G4S is currently funding a pilot using specialist support providers to meet the specific needs of one customer group

## 4 Review

### 4a) Supply Chain Review

G4S are proactive in gaining feedback from strategic stakeholders including DWP, ESF, local authorities, Local Employment Partnerships, Jobcentre Plus, National Housing Federation, the Confederation of Business and Industry and central government. Processes used include formal performance review meetings, attending local or national networking meetings or through informal meetings. Also, at a strategic level, the Director of Welfare to Work meets with the senior leaders of a number of Supply Chain Partners so that she can hear firsthand how effectively the supply chain operates. Other feedback mechanisms include:

- Feedback Supply Chain Partners gain from their own customer groups
- Annual employer questionnaires
- A Supply Chain Partner survey
- The Knowledge Bank and training survey
- A range of Advisor surveys and working groups
- Supply Chain Partner Best Practice workshops

- ▲ *"...we brought xxx into the south based on their performance elsewhere and their ability to meet an identified gap in provision based on feedback from JCP."* – G4S
- ▲ *"...delivery models have changed to reflect the market place and innovation – being agile is the key."* – G4S

In addition, feedback is always sought and actioned after external audits such as Provider Assurance Team and Compliance Monitoring Officer audits. Results from all surveys/audits are analysed and shared, for example results of a training survey identified a gap in self-employment advisor knowledge and lack of customer self-employment training provision, and as a result G4S funded advisor training sessions delivered by a national provider of self-employment skills. As a result of the customer feedback G4S has recently produced a leaflet - 'You Said, We Did' - highlighting the actions put in place.

In keeping with DWP requirements, G4S develops and produces a Self-Assessment Report (SAR) on an annual basis. Each Supply Chain Partner procures a SAR, which is collated into a SAR for the CPA, each of which is then fed into the Welfare to Work SAR. The findings are incorporated into the Quality Improvement Plan (QIP), which is presented to and monitored by the QRG.

- ▲ *"...each partner completes a SAR, we sense check it and use them to produce the SAR for the CPA and then each CPA SAR feeds into the overall G4S Welfare to Work SAR."* – G4S
- ▲ *"...G4S take the info from the QIPs and produce their SAR."* – Supply Chain Partner

There is a clear commitment within G4S to the wider policy and objectives of the commissioner, and G4S believes that as a key partner to DWP they have a responsibility to contribute to and support the Department's wider objectives. This is evident in the design of the supply chain and in the various pilots being explored and delivered. A weekly communications bulletin provides updates to Supply Chain Partners on feedback received from the strategic partners highlighted above, changes to DWP processes, Live Running Memos and the wider DWP and stakeholder announcements. An example of how the understanding of policy change has impacted on the supply chain action is the rollout of Universal Credit in CPA7, where G4S has delivered a number of workshops with the supply chain to support understanding of the referral process, the eligibility and identification of the customers, changes to sanctioning regime and understanding of the revised definitions of Job Outcomes.

- ▲ *"...anything new from DWP is explained in the weekly comms email."* – G4S
- ▲ *"...we do a lot of pilots – for example we are piloting an in-work benefit calculator linked to Universal Credits, as it is being piloted within that particular CPA."* – G4S
- ▲ *"...pilots have shown us that customers don't like being asked to get support from someone else – they prefer to stay with the same provider and adviser – so we have trained advisors on how to support ESA clients."* – G4S
- ▲ *"...it's massively important to us that we're having an impact on wider objectives, and G4S are really keen that the SCPs aren't just hitting targets - the meetings give us the more in-depth data that shows we're having an impact."* – Supply Chain Partner
- ▲ *"...we get the weekly updates and bulletins - we know most of it anyway but it's good that they don't just assume."* – Supply Chain Partner



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. However, G4S believes that members of the supply chain demonstrably contribute towards DWP priorities 1, 2, 3, 5 and 6:

- 1) Encouraging work and making work pay – through the supply chain G4S has engaged with 95,000 Work Programme customers and over 5,500 ESF Family Support programme customers. Therefore the G4S supply chain has 'encouraged' over 100,000 customers towards work.
  - 2) Tackling the causes of poverty and making social justice a reality – through the supply chain G4S has supported over 35,000 Work Programme Customers and 600 ESF Family Support Programme customers into work.
  - 3) Enabling disabled people to achieve their potential – over 2,100 Employment & Support Allowance (ESA) customers have been supported to enter the workplace.
  - 5) Recognising the importance of family in providing the foundation of every child's life – through its supply chain G4S has engaged with and supported over 5,500 customers on the ESF Family Support Programme. This includes the delivery of over 8,000 individual progress measures ranging from supporting families with debt, housing issues, mental health issues and core family relationships and parenting.
  - 6) Controlling costs - within Work Programme G4S has supported over 35,000 long-term unemployed people into work. The vast majority of the people G4S has supported have been out of work for at least nine months, with many having been out for multiple years. Based on current performance levels G4S believes that it has saved at least £63m in terms of gross costs to the Department, and a saving of at least £122m factoring in wider exchequer gains.
- ▲ *"...we don't just do better-off calculations – that's not what we are about and G4S get that – the main part is when people are about to start work it's about helping them budget so they know where they are spending their money."* – Knowledge Bank Supply Chain Partner
  - ▲ *"...we know we're having an impact on more than just the G4S participants - we set up a coffee morning for them some time ago and they still meet and fund it themselves. They also arranged 2-3 family parties each year - these have helped with confidence, social isolation, they also take the children to parks and get them out walking rather than just sitting at home."* – Supply Chain Partner

G4S believes in the black box delivery model – enabling Supply Chain Partners to develop strong, niche, and varied operational delivery models which are best suited to the communities they serve. Managing performance and working with 'the best' Supply Chain Partners is their key review and improvement strategy. Consequently, the supply chain has evolved and improved since the initial Merlin assessment. There is a genuine belief amongst the more philosophical Supply Chain Partners that the supply chain has matured and that G4S is clearer about what it wants partners to deliver in terms of volume and quality. The shift from *"...targets, targets, targets"*, as one SCP put it, *"is much appreciated."* A number of smaller third sector partners described how they believe they have evolved and have learnt from working with larger, more business-focused partners, and this has in turn helped them to evolve and become more 'corporate' and 'professional'.

G4S and its Supply Chain Partners believe they make a positive impact on external stakeholders, and encourage wellbeing by providing a holistic service to customers and moving people closer to the labour market through a range of interventions as described above. It is not only customer wellbeing which is important to G4S, it takes a proactive stance in reviewing caseloads of the advisors working across the supply chain and advise on maximum levels to ensure staff are not over-burdened. An area for improvement moving forward is aligning impact measures to improving environmental sustainability.

- ▲ *"...sustainability policies are in place across the supply chain."* – G4S
- ▲ *"...G4S are always concerned about caseload levels and are keen that we're working within the right ratios - the health and wellbeing stuff doesn't just relate to clients, they are keen on our staff's health and wellbeing too."* – Supply Chain Partner
- ▲ *"...we submitted a plan around environmental stuff but I'm not aware of any targets that we need to be working to."* – Supply Chain Partner

## Conclusion

G4S Welfare to Work has exhibited behaviours that demonstrate significant strengths and areas of best practice in relation to the requirements of the Merlin Standard.

It was evident to the assessment team that G4S has, since the last Merlin assessment, developed a more supportive and consultative style to managing its supply chain. Performance has always been a key driver, and this is now underpinned by a robust focus on the quality of provision, this has resulted in improved working relationships at all levels and that this, in turn, has led to improved performance across the contracts.

- ▲ *"...it's been a great arrangement working with G4S."* – Knowledge Bank Supply Chain Partner
- ▲ *"...what I really want to stress is the really really really positive experience we have had – a 10 across the board."* – Community Work Placement Supply Chain Partner
- ▲ *"...we now have very effective relationships – SCM's each have had strengths in their own areas – but the team is the best it's ever been now."* – Original Work Programme Supply Chain Partner
- ▲ *"...we were really keen to work with G4S and are delighted that we had the chance to do so."* – ESF Supply Chain Partner
- ▲ *"...quality drives performance now."* – Supply Chain Partner