



**merlin**

promoting supply chain excellence

**Assessment Report**

**For**

**Twin Training International**

**By Rob Mottram**

**On behalf of emqc Ltd**

**Assessment Date: 3<sup>rd</sup> December – 6<sup>th</sup> December 2012**

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## About the Organisation

Twin Training International is a privately owned provider of education, travel, work experience and employment services, both in the UK and internationally, offering progression to jobseekers and international students focused on career success. Providing English language courses and travel services for students from all over the world, Twin has excelled as a British Council-accredited English language provider and specialises in work experience and internships.

Twin Training is a welfare-to-work provider for British residents, delivering government-funded training programmes and free recruitment services, leading to employment opportunities in the UK. Twin Training has a national network of 70 partners providing education and employment services across the UK, as well as six year-round centres and more than 45 outreach centres delivering welfare-to-work provision.

Twin, established in 1997 have been delivering the ESF Families contract in the South West, covering Gloucester, Swindon, Bristol, Bournemouth and Plymouth (CPA 9) on behalf of the Department for Work and Pensions since it went live in December 2011. The Work Programme contract is part financed by the European Social Fund. Twin currently subcontracts 45 % of all front-line delivery to a network of 4 providers from the private sector.

## Assessment Methodology

An initial planning meeting between the Lead Assessor and representatives of Twin Training, including the assessment coordinator was held, support was given by the lead assessor as to how the assessment would take place and to agree the Supply Chain Partners who would be interviewed. Following this meeting, Twin Training created schedules for the assessors.

The assessment covered Gloucester, Swindon, Bristol, Bournemouth and Plymouth. During the assessment, assessors reviewed a wide range of documentary evidence and IT systems provided by Twin, interviewed a wide range of staff, including senior managers and customer facing staff from the Supply Chain Network and a range of staff from Twin. All principles of the Merlin standard were fully assessed by a team of 3 assessors; Rob Mottram (Lead Assessor), Stuart Morgan and Hayley Allen who spent a total of 12 days onsite.

## Assessment Outcome

Overall %	58%
Overall Outcome	Satisfactory
Supply Chain Design	Satisfactory
Commitment	Satisfactory
Conduct	Satisfactory
Review	Satisfactory

## Strengths

- ▲ Twin Training has a clear commitment to the development of its supply chain management approach that encompasses its strong values. Supply Chain Partners of Twin share values and dedication to ensure that services delivered maintain business and commercial integrity. (3a.1 & 3e.1)
- ▲ A positive, inclusive and open culture has been developed, particularly at an operational level which is enabling Twin to work effectively with Supply Chain Partners to deliver services to customers. (2a.5, 3a.3 & 3a.1)
- ▲ Proactive use of Equal Opportunities data throughout the supply chain. Through the identification of marginalised customer groups and the types of barriers customers are faced with and the analysis of this data it is enabling Twin to provide more focus to its delivery, attract harder to reach customers and ultimately improve performance. (3e.2 & 3e.3)
- ▲ Interactions between Twin Training staff and Supply chain partner staff are very positive and supportive. A friendly and flexible approach is complimented by regular and frequent contacts, which Supply Chain Partners find very useful. (3a.3)

## Areas for Improvement

- ▲ Twin Training need to ensure the continual review of supply chain arrangements to ensure the sustainability and appropriateness of provision for all customers. Current supply chain arrangements are fragile, Twin Training need to ensure that robust levels of contingency are built into supply chain arrangements and that contracting arrangements are open and transparent. (1a.2, 1a.3, 2a.1 & 2c.1)
- ▲ To ensure that appropriate strategies are used to best capture excellent practice and foster collaboration between Supply Chain Partners. Twin Training have a geographically diverse supply chain which hinders its ability to foster collaborative

working which requires sensitive attention to ensure that organisations don't feel isolated from other Supply Chain Partners. (2a.3 & 3b.8)

- ▲ Twin Training needs to enhance the level of support and encouragement for the development of Supply Chain Partners, including specialist and third sector organisations. Twin needs to consider appropriate and innovative methods of ensuring all Supply Chain Partners can participate in development activities, such as the use of video conferencing and online tutorials which will ensure that Supply Chain Partners and its staff are adequately and appropriately developed. (2b.1, 2b.2, 2b.3 & 2a.3)
- ▲ Twin Training need to consider an appropriate method to identify and communicate impact measures on the wider aims and objectives of the commissioner and to ensure that this information is shared and promoted with the Supply Chain Partners and with commissioners. (4a.3)
- ▲ Low levels of referrals onto the programme have not enabled Twin Training to implement as far reaching and probing methodology as would have been anticipated. As such it would be prudent for Twin Training to consider and have plans in place to implement a number of recommendations as referrals increase and the scale of the delivery grows, including increasing the frequency of supply chain forums, the definition of a strategy or positioning statement in regard to Twin Trainings approach to TUPE, the implementation of a scalable approach to all quality assurance activities, including the enhancement of the organisational approach to safeguarding, environmental sustainability and the use of comparative data to increase transparency within the supply chain, all of which will support Twin Training's desire to recognise and promote sustainable excellence and positive partnership working within supply chains. (2a.3, 3a.2, 3b.1 & 3d.1)

## Assessment Findings

### 1 Supply Chain Design

#### 1a) Supply chain design

Twin Training (now referred to as Twin) has developed a sufficiently effective supply chain to support the delivery of ESF Families. Historically Twin have successfully delivered a range of government funded contracts, including skills contract in a variety of geographical locations in the UK, where the use of formal Supply Chain Partners was very limited, instead Twin would use range of local and national partners on a less formal basis.

Senior management of Twin expressed a desire for the supply chain to be a diverse mix of partners and to include a number of organisations from the third sector. Twin planned to deliver 18% of the contract via its delivery arm, however following due diligence activities and other discussions a number of third sector organisations withdrew their interest in

forming part of the supply chain. This delivery was redistributed to Twin's own delivery sites, which currently supports delivery of 55% of the contract. Appropriate 'end to end' delivery sub-contractors were selected to form the supply chain based on a number of criteria, including meeting Twin's geographical requirements, past performance, alignment of values and with their ability to meet the needs of commissioners and customers.

Twin's current Supply Chain Partnership arrangements are with 'end to end' providers, established organisations with robust track records in the delivery of similar programmes which focus on addressing complex barriers to work, such as homelessness and health and well-being and the development of skills which assist customers in securing sustainable employment. Twin training are exploring ways of introducing new partners to their current supply chain arrangements to enable Twin to deliver a smaller market share, more inline with their original desire to deliver 18% of the contract, ensure that the supply chain remains appropriate and provide adequate contingency should current arrangements change.

Utilising their implementation policy, Twin encouraged and continues to facilitate the introduction of Supply Chain Partners to key stakeholders and networks outside of formalised supply chains, including JobCentre Plus, local authority networks and NHS community services. Sub contractors are expected to utilise their existing networks to provide maximum support to their customers.

*"I was involved in the procurement from the start; it was totally appropriate for the needs of my Company and professionally carried out."*

*"I was kept fully informed throughout the process, my view and opinions were asked for, which I found refreshing and very open."*

## 2 Commitment

### 2a) Collaboration, cooperation and communication

Supply Chain Partners were able to confirm that during the procurement process Twin operated in a clear and open manner. Discussions were usually conducted by telephone or face to face and were effective in allowing all parties to make informed decisions over the viability of joining the supply chain and appropriateness of their services and skills in delivering the contract. Discussions were usually followed up with documents.

Prior to contract 'go live' Supply Chain Partners were encouraged to discuss and contribute to the development of appropriate paperwork and processes that would be used by all partners during the contract delivery phase. This approach successfully enabled the supply chain to develop tools that are shared and used by all.

*"The Prime (Twin Training) seemed to listen and prepared to learn from what we already had in place. They didn't change systems and processes for the sake of it."*

Once the contract had gone live Twin Training assigned a dedicated contract manager to the Supply Chain Partners. The role of the contract manager has been to provide on-going, proactive practical operational support. This operational function has been highly effective in ensuring that there is no ambiguity in the business relationships and has helped foster working practices. Informal and friendly in nature, communication is clear and as such there is no ambiguity in the relationships which exist. This approach has encouraged Supply Chain Partners to work collaboratively to deliver comprehensive services, particularly at an operational level, with advisors supporting each other with operational queries and contract delivery challenges. Supply Chain Partners value the supply chain forum event that took place and expressed a desire for these to increase in frequency in line with the increase in referral rates onto the programme.

*"Our Director came to the first meeting but said that she will probably not come to the next one because it was more operational than strategic."*

*"We will send a different person to the next one so that everyone will get messages first hand rather than cascaded from colleagues."*

*"We have had one (joint meeting) and it was useful, I think there ought to be a quarterly meeting."*

Twin's supportive approach to supply chain management has effectively created a culture where communication is open, honest and effective. Very low levels of referrals onto the programme has prevented further collaborative working and higher levels of cooperation to be fostered, however Twin are clearly committed to develop this further when a higher level of referrals are received on to the programme, particularly at a more strategic level.

*"They (Twin Training) are really helpful; nothing is too much trouble for them. Our main contact is with XXXX and XXXX I'm sure we would struggle without them."*

*"XXXX has been fantastic; she has helped us with attending all sorts of meetings and giving us information."*

## **2b) Developing Supply Chain Partners**

Twin have had limited opportunity to develop Supply Chain Partners with much more focus on supporting organisations to remain effective members of the supply chain. Supply Chain Partners have been given appropriate levels of support by Twin to ensure that they have the correct infrastructure in place to support the delivery of the contract and work effectively with Twin Training.

There is little evidence of Twin supporting Supply Chain Partners to access additional funding, however in many cases Supply Chain Partners have existing funding channels in place which allow them to build capacity and deliver comprehensive services to customers. Twin have however partnered with other prime contractors to lobby the commissioner to successfully make some key changes in the availability of funding to support the delivery of the ESF Families contract.

*"We don't expect them to find income streams for us. We are already involved in a lot of other contracts which are our life blood."*

An adequate level of staff development within the supply chain has taken place, staff have benefited from system training allowing them access to the IT system. Supply chain staff have also received useful Benefit Cap related information. Twin have offered specific training to supply chain partner staff at no additional financial cost in areas such as 'dealing with domestic violence' and have supply chain partner development plan in place for 2013. Further consideration should be made by Twin to ensure appropriate and innovative methods are used to ensure all Supply Chain Partners can participate in development activities. Supply Chain Partners in many instances provide their own comprehensive training for staff delivering a wide range of varied programmes, and feel that the level of support received from Twin in this has been satisfactory.

*"They have made sure that we all know how to use computer systems but much of what our staff we have already provided because of other contracts like the Work Programme."*

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

Twins approach to contracting is currently underdeveloped; in particular how it selected Supply Chain Partners lacks some transparency. Twin attended a number of 'speed dating' events that were facilitated by DWP for the delivery of Work Programme, which allowed them to meet a wide range of potential Supply Chain Partners. Sensibly, Twin utilised the contacts gained at these events to develop a 'long list' of potential organisations that may be appropriate to support them in the delivery of the ESF Families contract. These organisations were approached and asked whether they may be interest in forming part of the supply chain. Offers of invitations to express interest were also sought from other organisations that may be able to support delivery.

Senior managers scored applications, however Supply Chain Partners were not aware of how applications were scored, what weightings were given to specific elements of their applications. Twin was unable to satisfy the assessment team that there was an auditable trail of activities behind the selection of supply chain partner. Twin training has identified weaknesses in this area and is in the process of strengthening this specific area. Twin is proposing the development of a scoring matrix that would be shared with prospective Supply Chain Partners. The development of the matrix is to be supported by a large established managing agent.

Twin has reflected the funding arrangements that were agreed with Department for Work and Pensions and follow the payment by results model. Following recent lobbying by Twin and other prime contractor organisations an enhanced payment model is being developed (See 2b). Twin training have indicated that referral volumes have been far lower than was anticipated which has caused challenges for all partners involved in the delivery of the ESF Families contract.

Supply Chain Partners were clear on the management fee they are paying, which is at a level that is comparable with other prime contractors. Supply Chain Partners are happy with the support they receive in return for it. There are no other direct costs associated with delivery for Twin, such as paying for access to IT systems and additional training.

Contractual documentation used by Twin reflects that of the Department for Work and Pensions. Market share allocation within supply chains is clear, shared and the rational easy to understand. Call on/off partners have no fixed funding arrangements.

Twin Training manages the transfer of funds in an efficient manner. A self-billing payment system is in place. Payment terms are 30 days; payments are prompt and timely. Supply Chain Partners particularly like that Twin training encourage them to make claims and in some cases go as far as to remind Supply Chain Partners that invoices need to be raised. Payments are made following a series of validation and compliance checks, which are carried out by Twin's head office based claims team, ensuring segregation of duties from delivery.

### 3 Conduct

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

Twin is a values driven organisation, who holds a set of core principles at the heart of the business they do. Supply Chain Partners who were selected to work with Twin share values that closely align to those of Twin. Twin's values are care, resilience, rigour, achievement, diversity and commerciality, which partners believe Twin work to, and, form the basis of the relationship between them. Supply Chain Partners were able to confirm that principles and values are clearly aligned; one supply chain partner described Twin's values as "virtually a perfect match to ours."

*"Core values, that was easy for us and Twin; the two sets of values were just about identical."*

*"We genuinely share the same core values as the Prime and always have done."*

TUPE processes are as yet untested as there has not been any requirement for this. Twin engages the services of specialist independent HR advisors who provide support on all HR matters. Twin training may need to consider the need to devise a strategy or positioning statement in regard to TUPE matters for the future.

Supply Chain Partners describe interactions with Twin as very positive and supportive. This is a particular strength of Twin training. A contract manager compliments a friendly and flexible approach with a range of regular and frequent visits. Supply Chain Partners also mentioned the effectiveness of the centralised administration support function, which provide a very reactive service. Newsletters, legislative and contractual updates are communicated using email and where necessary discussed at supply chain meeting to address and ensure understanding, which Supply Chain Partners appreciate and find very useful.

*"We have a strategy and policies for TUPE but we haven't had to use it for this contract yet."*

### 3b) Quality Assurance and Compliance

A series of due diligence activities took place prior to the contract 'go-live' date. This assured the quality of service and customer service within the supply chain. Where needed Twin provided support in ensuring partners had appropriate measures in place to assure customer service. A formalised quality assurance plan, containing activities such as formal observations has been agreed and will be implemented as soon as contract referral levels reach an agreed level.

It is noted that Twin Training and many of the Supply Chain Partners are accredited to the **matrix** standard; however a formalised approach to assessing the provision of its supply chain partner is yet to be embedded by Twin. Supply Chain Partners were satisfied with the level of information, advice and guidance received by them from Twin through the contract management process.

Twin have provided Supply Chain Partners with specific training in the importance of security, during due diligence and contract set up partners were assessed against Twin's security plan that has been endorsed by the Department for Work and Pensions. For partners who failed to meet the required standard to satisfy Twin additional support was given. Twin may need to consider the appropriateness of working towards accreditation of ISO 27001:2008 which would provide an external validation of their processes and practices. Call on/call off services has not yet been formally assessed by Twin to ensure their compliance against areas such as data protection or health and safety.

*"We have a secure IT system because of the Work Programme but they still spent time making sure that everything fitted together to make really cohesive."*

Healthy and safe work environments were assured as part of the due diligence work that was carried out. Risk assessments were checked by Twin training, supply chain delivery location were visited by a member of Twin Training staff and where appropriate Twin ensured that Supply Chain Partners could access the relevant support to help them to meet Twin's Health & Safety requirements. Supply Chain Partners are reminded of their commitment to health and safety during reviews. Lone working policies and practices were given particular attention by Twin training, which is particularly positive given the outreach delivery nature of parts of this contract.

Vulnerable customer groups form a substantial part of the ESF Families contract. As such Supply Chain Partners policies and practice were checked during the due diligence process and on an on-going basis through the contract review mechanisms. Supply Chain Partners were asked to make declarations that their staff delivering the contract meet the Baseline Personnel Security Standard (BPSS). Consideration by Twin may need to be given to the robustness of the approach taken by Supply Chain Partners in ensuring that any subcontracted delivery is adequately assured.

Twin Training have adequate policies and processes in place to ensure that environmental sustainability is being addresses by its Supply Chain Partners. Supply Chain Partners are at

differing stages of development against this area, Twin needs to take a more proactive approach in agreeing specific environmental sustainability targets for Supply Chain Partners. Supply Chain Partners need to be clear about how sustainability targets link to the commissioner's wider policy and objectives.

Due to the low volume of referrals and current contractual conditions, identification of excellent practice and its promotion across supply chain partners is currently limited. Further development of the area is required and has been identified as an area of improvement for Twin Training once referral levels increase and allow for meaningful analysis and identification of what excellent practice looks like. Twin's current approach is proportionate and appropriate.

*"We have always had to be strong on Quality and Compliance because of the contracts we hold. Twin worked with us to make sure we fitted in with their needs."*

### **3c) Honouring Commitments**

Supply Chain Partners confirm that contract negotiations were clear and open; partners feel that they were given adequate information, which was usually face to face or by telephone and followed up by written communication. Partners received letters of intent and contracts which if change are updated to all Supply Chain Partners. Partners feel that Twin have fully explained any changes to contracting arrangements that have been made.

Twin is open to challenges through its dispute resolution process, which mirrors the customer complaints process. To date this process remains untested; Supply Chain Partners felt that informal resolution would be a more approach given the supportive contract management approach that is evident within Twin Training. Twin has stated they would fully respect decisions made as a result of the Merlin Mediation Service, again this has not been tested. Twin training have ensured that the supply chain has been made aware of the Merlin Mediation Service through emails.

Twin set out clear expectations at all stages of pre-contract award and once the contract had 'gone live'. Partners feel that expectations of Twin training have been met and any concerns or clarification that are raised or require confirmation are discussed openly and effectively.

*"We've never had any need for a complaint or anything, I know the systems are in place and are confident that Twin would do things properly."*

### **3d) Performance**

Twin currently have a supply chain which is encouraged to support and promote the performance of the entire network, however this is currently proving difficult to demonstrate as an area of strength due to the lower than anticipated number of referrals to the programme.

Use of comparative performance data, which is available to Twin Training, is not currently shared across the network. Given the small numbers of referrals made to the programme, it

was felt that this was appropriate by the assessment team; however it may be prudent for Twin to consider the sharing of such data as referrals increase, to increase transparency, identify high performance and foster a culture of best practice identification and sharing.

Clear performance targets have been agreed, set and adjusted by Twin and its Supply Chain Partners. When Supply Chain Partners have been unable to meet performance targets Twin have been very supportive in adjusting targets to become more achievable and realistic. At present a proportional and supportive approach to performance management is effective, however Twin may need to consider the development of a more robust and formal method as referrals increase and wider differences in achievement occurs between Supply Chain Partners.

Twin have implemented a industry recognised Management Information system, which effectively tracks customer progress against set measures, enables partners to evidence attendance of customers on the programme and support financial claims. It provides substantial and valuable data for all interested parties to use to enhance delivery, judge value for money and track distance travelled for customers. Currently some partners are experiencing difficulties in accessing all elements of the system with particular challenges faced when delivery takes place in 'outreach' or community based locations. Twin has provided a paper based back up to Supply Chain Partners, which is effective in ensuring that service delivery is unaffected and partners are able to continue to work with customers, record distance travelled and make financial claims from Twin Training.

*"It was clear in the early stages that the referrals weren't coming through so they met with us and agreed more realistic targets"*

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

Twin has agreed Supply Chain Partnership arrangements with a range of organisations that align very closely to their own commitment to Diversity and Equality (see 3a). Due diligence activities confirmed Supply Chain Partners commitment to Diversity & Equality, with those partners who didn't have adequate policies in place, but demonstrated a clear commitment to equality and diversity being given specific support to develop policy and other appropriate documentation. Diversity and equality is monitored on an on-going basis through review meetings that are held between the contract manager and the supply chain partner.

Twin has been proactive in the use of Equal Opportunities data and promotes diversity and equality throughout the supply chain and is a particular strength. Data captured has been used by Twin to identify marginalised customer groups; those customers who are been worked with more effectively and the types of barriers customers are faced with. This analysis of equal opportunity data is enabling Twin to provide more focus to its delivery, attract harder to reach customers and ultimately improve performance. Whilst there is currently small levels of data in the system, Twin have successfully used this to promote Equality and Diversity within the supply chain and ensure that it remains a high priority for all Supply Chain Partners that work with Twin.

*"It was one of those areas where their policies (Equality and Diversity) were better than ours. We re-wrote ours to reflect their good practice."*

## 4 Review

### 4a) Supply chain review

Twin has developed the systematic collection and use of feedback from a number of key stakeholder groups to a satisfactory level over the duration of the contract. Feedback is collected through both formal and less formal methods, such as using questionnaires and through day-to-day contact between Supply Chain Partners and Twin's contract manager. Such feedback has been instrumental in encouraging Twin to lobby the Department for Work and Pensions to make changes to payment triggers and support the introduction of secondary referral sources. Whilst Twin have a well developed approach to stakeholder feedback they need to continue with the collection of such feedback from as wide a possible range of stakeholders and to ensure the consistent and systematic use of such data to further improve practices, particularly given the increased numbers of referrals now being received on the programme.

Discussions with supply chain partner at review meetings and the sharing of relevant area's of supply chain partner's self assessment reports form important contributions to enable Twin to develop a detailed self assessment report. Completion of a SAR template is planned for quarter 1 of year 2 of delivery, by which time it is felt this will have given Supply Chain Partners adequate time and a reasonable level of customer participation to carry out a meaningful analysis of it findings. Subsequent actions, such as the development of quality improvement plans are also scheduled for year 2 which will be reviewed via the contract review process.

Twin need to consider an appropriate method to identify and communicate impact measures on the wider aims and objectives of the commissioner and to ensure that this information is shared and promoted with the Supply Chain Partners and with commissioners.

Twin continues to review and implement improvement strategies to ensure that supply chains continue to evolve and improve; investing significantly in recent months in order to ensure that the supply chain management approach is effective and innovative. When faced with operational challenges such as Supply Chain Partners terminating contracts Twin have been responded effectively to maintain continuity for its commissioners and importantly to Twin its customers.

*"We are constantly in touch to share and ask for information. XXXX has been really helpful in making sure that everything is shared for mutual benefit."*

*"They have helped us to understand how to apply some of the information we pass to them. Equality is an example, they analysed the information and were able to tell us by way of report a good deal about the target population and how it might affect our marketing approach."*