



merlin

promoting supply chain excellence

Assessment Report

For

CXK LIMITED

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On behalf of emqc Ltd

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About the Organisation

CXK Limited (CXK) is a charity that supports young people and adults to raise their aspirations and maximise their potential, in particular by providing them with advice, guidance, skills, and the confidence that will help them to progress into education, employment or training.

Its vision is that all families feel valued, and that they have access to high quality services that encourage, inspire and support them to be resilient, resourceful and make the most of their lives.

In 2013, CXK completed a merger with KCFN, which provides it with a broader range of services to improve outcomes for children, young people and vulnerable adults. Services include:

- ▲ Careers guidance, advice and work-related learning for vulnerable young people and adults (including the National Careers Service)
- ▲ Mental health & wellbeing services (Young Healthy Minds)
- ▲ Leadership & Development programmes for young people including the National Citizen Service and the Prince's Trust team programme
- ▲ Management of youth centres and a mobile youth service (Community Activity teams)
- ▲ Training Programmes for those not in employment, education and training (European Social Fund)
- ▲ Accredited training for adults and professionals working with young people
- ▲ Parenting programmes and family workshops

Supply Chain Partners enable CXK to deliver the Young Healthy Minds, Kent Parenting Service and two European Social Fund (ESF) Programmes.

CXK is a member of reachfor, which is a joint venture of eight regional social enterprises delivering services to young people and adults, and has achieved both the **matrix** and Investors in People Standards.

Assessment Methodology

Initial discussions were held with CXK in March 2014, where the requirements of the Merlin Standard were explained and the contracts and range of Supply Chain Partners in scope for this assessment confirmed, in accordance with the agreed guidelines.

Ongoing discussions finalised the sample and the timelines required for the Self-Assessment Questionnaire, Pre-Assessment Notes, and evidence gathering timetable – all of which were submitted as agreed.

The assessment team (lead Assessor Ruth Regan and team Assessor Neil Potentier) interviewed a representative sample of Supply Chain Partner organisations delivering on the contracts highlighted above.

In addition CXK personnel were interviewed, including those involved in the strategic and day-to-day development and management of the supply chain.

During the assessment, a number of documents were made available for the team to review, including an example Expression of Interest (Eoi), due diligence procedures, a document setting out the fees and payment procedure for supply chain management, profile delivery templates, data security protocols, terms and conditions of the ESF Project Management Board, observation of delivery process, and the organisation's 2013 Annual Review.

Assessment Outcome

Overall %	72%
Overall Outcome	Good
Supply Chain Design	Good
Commitment	Good
Conduct	Good
Review	Satisfactory

Strengths

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

- ▲ The CXK supply chains continue to evolve, and utilise public, private and third sector organisations to meet the changing needs of the customers, and address the commissioners' objectives. (1a.1, 1a.2 & 4a.5)
- ▲ Members of the supply chain appreciate the experience and expertise of their peers within the supply chain and CXK. (1a.2)
- ▲ The engagement of wider networks both by CXK and its partner organisations is adding value to the customers and supporting delivery of the contracts. (1a.3)
- ▲ The supply chain considers CXK's approach to communication to be robust, open, honest, and two-way, which engenders very positive and supportive relationships between staff. (2a.1, 2a.4, 2a.5, & 3a.3)

- ▲ There is match between the working principles and ethos of CXK and those of its supply chain. (3a.1)
- ▲ Strong and proportionate policies and procedures are in place across the supply chain to ensure the safeguarding of young people and adults at risk is maintained. (3b.6)
- ▲ CXK is proactive in ensuring that performance expectations and any differentials pre- and post- contract are explained and understood. (3d.3)
- ▲ CXK and its Supply Chain Partners believe they are having a very positive impact on the wider objectives/policy intent of the commissioners. They were able to share many anecdotal examples about improving the lives of the people they were engaging with. (4a.3 & 4a.6)

Areas for Improvement

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

- ▲ In order to support the ongoing supply chain management strategy, consider the benefits of developing a framework of potential public, private, and 3rd sector partner organisations. (1a.1 & 4a.5)
- ▲ Supply Chain Partners have developed effective and fruitful relationships with a variety of support organisations that add value to the customer and the contracts. Consider how to pull together a database of all provision/partner provision which can be openly shared and accessed/used by all of the network. (1a.3 & 4a.1)
- ▲ Although collaboration and the sharing of best practice within the individual contracts is taking place, consideration could be given to what CXK can do, where appropriate, to formalise collaboration and the sharing of best practice within and across the contracts. (2a.3 & 3d.1)
- ▲ Continue to review and build on learning and development provided for partners – and consider the benefits of developing a timetable of learning activities to which staff from across the contracts can attend. Not only will this enhance staff's abilities it will engender collaboration and the sharing of best practice. (2b.3)
- ▲ As the supply chain continues to develop and grow, there may be benefits to be had to building on the Common Accord, and considering the development of a Partner/CXK charter. (3a.1)

- ▲ The relationships between CXK and Supply Chain Partner staff are supportive and built on open, two-way interactions. However, a number of partners highlighted that they had, on occasion, difficulty getting in contact of the CXK member of staff they required. A review of the staffing levels needed to meet the expectations of the supply chain now and in the future should be considered. (3a.3)
- ▲ A decision to reduce the face-to-face performance management interactions to quarterly has been met by some partners as a disappointment. Consideration should be given to revisiting the performance management methodology and consulting with partners on the regularity of the interventions. (3d.2)
- ▲ Whilst CXK ensures that subcontractors hold a suitable environmental sustainability policy as part of the due diligence process, there is still more that can be done to ensure all Supply Chain Partners understand the importance of environmental sustainability. (3b.7, 4a.6)
- ▲ Moving forward, CXK needs to consider what systems and processes it needs to develop to ensure the MI it can provide for its supply chain and commissioners is robust, accurate and easily accessed. (3d.4)
- ▲ There is no question that diversity and equality is at the heart of what CXK and its partner network do on a day to day basis. Because it is so embedded the activities taken to promote diversity and equality go almost unrecognised, and therefore consideration needs to be given to how they can be further developed. (3e)
- ▲ Consider the benefits of undertaking a formal annual feedback survey of all partner and network organisations and stakeholders, on the impact the contracts being delivered are having on the commissioners' strategies, and to confirm that the make up of the supply chain is still meeting identified needs. (4.1, 4.2.4 & 4a.4)
- ▲ Whilst a level of anecdotal evaluation takes place regarding the impact that the activities of the supply chain are having on wider social objectives/policy intent, consideration could be made to developing a more robust, formalised approach to measuring the impact on external stakeholders, customer well-being and environmental sustainability. (4a.6)

Areas Requiring Further Development

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

Assessment Findings

1 Supply Chain Design

1a) Supply Chain Design

CXK's vision is that all families feel valued, and that they have access to high quality services that encourage, inspire and support them to be resilient, resourceful and make the most of their lives. Consequently it has been proactive in seeking out opportunities to broaden its range of services to improve the outcomes of its beneficiaries (customers). Developments in services include emotional health and wellbeing, parenting skills and youth services, which have ensured it can now provide support to many more people across the South East and East of England.

These additional services required CXK to gain a full understanding of the purpose and objectives of a range of contracts – including those where Supply Chain Partner organisations would be key to meeting the commissioner's objectives and the range of customer requirements. Whilst well-established within Kent, research activities through established organisations such as the Kent Association of Training Organisations (KATO), Kent County Council learning, employment and skills strategy and their ambition is for all young people in the county etc. CXK also liaises with local authorities and statutory partners to understand local needs, and attendance at multi-agency groups has helped CXK to understand the provider organisations already operating in the geographical areas in which it is looking to develop additional partnership relationships.

The current supply chain includes representation from FE Colleges, charities, and local and national training organisations. Ensuring the offer meets customers' needs, CXK also works with local education providers including Canterbury Christ Church University. The selection of partners delivering the Young Healthy Minds contract consists of organisations that had a pre-existing relationship through the Children & Young Peoples Consortium, and this organisation was key in forming this supply chain. A total of 17 Supply Chain Partners work across 4 contracts.

All Supply Chain Partners interviewed believe the scope of the network is excellent and reflects needs in Kent and Essex, with very localised alignments to meet the needs of the diverse customer groups.

- ▲ *"...we have a mix of long standing and new Supply Chain Partners – new organisations coming forward to meet developing needs."* – CXK
- ▲ *"...set up the Supply Chain Partners to enhance the contract outcomes."* - CXK
- ▲ *"...I think the supply chain is very well balanced."* - Supply Chain Partner
- ▲ *"...the supply chain is very holistic and balanced and meet the needs of NEET. They didn't just want numbers, they wanted the right mix as well."* – Supply Chain Partner
- ▲ *"...CCCU enhance the supply chain through use of volunteers."* – Supply Chain Partner
- ▲ *"...everyone is doing something slightly different, and this meets the needs of the client group."* – Supply Chain Partner

CXK is able to identify a large number of organisations outside its own supply chain that are used to provide further support of a more specialist nature, and this was confirmed in the

discussions with Partners. Supply Chain Partners also use their existing infrastructure of wider networks to enhance the customer offer.

There were also examples shared of CXK undertaking 'spot purchases' of support, for example within the Young Healthy Minds supply chain there are qualified and specialist counselors who deliver different levels of service on behalf of CXK, and/or might back-fill when demand is high. However, for the ESF funded contracts the subcontracting out of the contract to another level is not permissible under the terms of the contract.

- ▲ *"...we will bring in services that enhance the offer to the customer, and buy in organisational support that we have quality assured."* - CXK
- ▲ *"...we have made some spot purchases of provision to help meet demand."* - CXK
- ▲ *"...we already had our existing networks and I think CXK recognised this."* – Supply Chain Partner
- ▲ *"...we have built a wider network to help progression routes."* – Supply Chain Partner

2 Commitment

2a) Collaboration, Cooperation and Communication

Partners report positively on how CXK communicated during all stages of procurement and beyond. Due to the diversity of the contracts delivered, and the scope of the supply chain, CXK has developed a very flexible approach to how potential Supply Chain Partners are invited to join the network. For example, in a number of cases, long established consortia and networks were targeted due to their well-known relations and expertise. However, for all the contracts, partners described how CXK was proactive in engaging them in the procurement process: meetings, dedicated email support, bulletins, newsletters, social media, clear EoI documentation, and key documents that are situated and shared on the CXK website were all cited.

- ▲ *"...the CXK process was different to others, with very specific, focused questions which were relevant and timely."* – Supply Chain Partner

CXK makes every effort to engage Supply Chain Partners in consultation activities to inform decisions, including the design of systems and processes. For example Kent Parenting Service Supply Chain Partners have historically had a paper based data recording system; going forward this will be a computer based system, and Supply Chain Partners are being consulted on what they require from the system, how they will want to log the client journey, etc. The decision on how to use the recently introduced bursary funding was also made following consultation with Supply Chain Partners.

Collaborative working has been promoted across the supply chains by the use of quarterly meetings, to enable partners to share expertise, understand contractual expectations and support organisational development. For example, individual Young Healthy Minds Supply Chain Partners researched specific issues such as bereavement, and have then shared learning and advice with other partners. Team meeting and whole service days also support collaborative working across this supply chain. ESF Essex partners described how they have collaborated with regard to shared referral strategies, and Kent Parenting Service Supply Chain Partners attend quarterly facilitated meetings during which they have an opportunity to discuss and share performance, case studies, barriers and challenges to delivery, etc. These were described as *"...solutions based discussions."* Although collaboration within the individual supply chains is being actively encouraged by CXK, further benefits could be had by encouraging and developing collaboration and the sharing of best practice across the contracts.

- ▲ *"...we are trying to coach them into being a collaborative and cohesive supply chain."* – CXK
- ▲ *"...we share performance outcomes at provider meetings."* – CXK
- ▲ *"...the words collaborative working were used at the inaugural meeting."* – Supply Chain Partner
- ▲ *"...we don't naturally work collaboratively CXK have encouraged it."* – Supply Chain Partner
- ▲ *"...they (CXK) are encouraging collaborative working, but we don't necessarily take them up on this and we should be doing."* – Supply Chain Partner

The supply chain described how impressed they were with CXK's transparency of communication, with CXK making every effort to ensure that partners clearly understand roles and responsibilities. For example, early communication with ESF Supply Chain Partners and prospective partners made the business relationship very clear, and the associated paperwork – such as subcontract agreements – was also fully explained. Ongoing communication through regular meetings has ensured there is no ambiguity about the business relationship.

Ongoing communications between CXK and Supply Chain Partners vary depending on the contract. CXK has a consistent and structured approach to communicating with its ESF supply chain. For example a phone call in the first week of the month to talk through performance with the project manager, 2nd and 3rd week the admin team will call to follow-up on paperwork, then at the end of month an email with a performance outcomes RAG report. Every quarter this is supplemented by a face-to-face meeting and interspersed with ongoing support emails and phone calls as necessary. Communications with Young Healthy Minds partners follows a similar structured approach: daily communications from team leaders, fortnightly team leader meetings, fortnightly performance progress, and quarterly performance reports.

All Supply Chain Partners, regardless of contract, confirmed that communications were open, honest and without unreasonable constraint. Whilst the tone and style of communications between CXK and its Supply Chain Partners was described as supportive, two-way, open etc., some partners did highlight that on occasion they had difficulties contacting the right person to deal with queries due to their availability.

2b) Developing Supply Chain Partners

CXK is beginning taking a more strategic approach to the development of all Supply Chain Partners. In the main this has until recently been focused on enabling organisations to complete the requirements of the contract in terms of delivery and paperwork, with examples being shared of organisations being given small contracts to enable them to establish paperwork and approaches.

- ▲ *"...we will match established and high performing Supply Chain Partners with those less effective or newly appointed organisations, so they can develop their offer."* - CXK
- ▲ *"...CXK encouraged progression and involvement in other areas."* – Supply Chain Partner

CXK has facilitated introductions between Supply Chain Partners and other funding bodies, and arranged conference calls with local authorities and partners to discuss general business development issues. Individual organisations across the network cited their own examples of how CXK had supported them to seek out additional funding. Examples of support include Bursary funding secured for travel, which has reduced the financial outlay required; additional volumes to build capacity; dialogue and encouragement to offer pre-apprenticeships; and negotiating with a commissioner to relax eligibility requirements, which helped Supply Chain Partners attract more clients, to make delivery groups viable.

- ▲ *"...we have supported joint bids and put organisations in touch with each other."* - CXK
- ▲ *"...the bursary payments help reduce our outlay."* – Supply Chain Partner

The development offered to Supply Chain Partner staff varies depending on the contract(s) being delivered by their employer organisations. A training plan has been developed for Young Healthy Minds delivery partners, and there are 4 workforce development days plus 4 half day development days a year for all staff working with the brand. In addition, all new recruits receive 9 days of training. CXK has provided joint safeguarding training to staff in the ESF Essex supply chain, and has developed guidelines on individual learning plans for supply chain staff. In addition examples were shared of Supply Chain Partner staff receiving coaching and mentoring by CXK staff. Moving forward, CXK needs to build on its learning and development provision and consider the benefits of developing a timetable of learning activities cross-contracts.

- ▲ *"...we put together an example pack of paperwork and trained Supply Chain Partners on it so that they would understand what was needed and why."* – CXK
- ▲ *"...we have whole supply chain development days."* – CXK
- ▲ *"...admin picked up a couple of issues re referrals and ILPs and gave us some support."* – Supply Chain Partner

2c) Contracting and Funding

CXK has used various procurement approaches depending on the contract requirements. The process for selecting supply chain partners on the basis of Expression of Interest documents (EOIs) has been improved during 2014. Eois are now scored using CXK's scoring framework and applied consistently to all applicants. Core criteria include the assessment of policies and procedural frameworks, financial health, track record and quality assurance. Contract-specific criteria are included to provide specific insight into suitability for the service in question, and to enable smaller, niche providers to compete by offering contract-critical provision or access to a particular client group. For example, for ESF funded programmes, the Expression of Interest (Eoi) was specifically designed to highlight the value of the contract and the requirements of the funder, while asking the potential Supply Chain Partners to detail the value they could bring to the supply chain, what they could deliver that was unique within the area and how they would add value to the supply chain. Feedback is given to organisations on the Eoi submitted and, if they have not met the required specification, why that is the case. Partners who could recall the procurement process confirmed that it was fair and transparent, including the scoring system and communication that was on going throughout the process.

- ▲ *"...we work with other Primes so have examples of what has worked well for us as a Supply Chain Partner – and what hasn't – so we have learnt from this in developing our own approaches."* – CXK
- ▲ *"...tendering for a contract in an area we hadn't worked in before meant we were focused on asking questions about what potential Supply Chain Partners could do and deliver in relation to the specifics within the tender – there were no assumptions based on historical relationships"* – CXK

Risk management, especially financial risk management, is a clear priority for CXK and therefore fair treatment and proportionate risk transfer are central to its supply chain management.

For a number of Supply Chain Partners delivering an outcome-based contract has been a new venture, so CXK has worked hard to ensure that what is involved is fully understood. For example, Kent Parenting Scheme Supply Chain Partners have been provided with a programme summary for each outcome required, so that they fully understand the evidence required for payment. There are different payment models across the contracts and Supply Chain Partners gave examples where CXK has endeavoured to ensure that the models used are fair.

- ▲ *"...we only pay for sessions that are delivered, and it was important for Supply Chain Partners to understand this."* – CXK

CXK has ensured that service level agreements and contracts are in place for all Supply Chain Partners across the 3 supply chains. Partners confirmed that contracts reflect the requirements of the commissioner and include performance expectations, including budgetary and target information and supporting checklists. Where adjustments have been made by commissioners, CXK has clearly explained to Supply Chain Partners the implications on contracts and expectations. Contracts are reviewed quarterly and will be varied if needed to support providers to meet the contract profile(s).

Geography is the main starting point for the allocation of market share, then flexibility based on delivery and outcomes. However ESF Supply Chain Partners described how they had, for example, been brought together by CXK to review the contract profile and implementation plan, and were then asked what they could deliver in terms of location and numbers. Partners confirmed their understanding of the allocation of market share, and as a result believe it is viable and transparent.

- ▲ *"...they (CXK) have done their best to give us territory – area to work in – we therefore have a share of the influence and the responsibility."* – Supply Chain Partner

Partners confirmed that negotiations regarding the volumes, performance expectations, etc., are openly discussed and agreed, and felt confident to challenge and re-negotiate if necessary or appropriate. Meeting with local funding agencies and Supply Chain Partners is an intrinsic part of the CXK process which ensures that partners are integral to negotiations. Throughout the lifetime of any contracts, funding, finance and performance expectations are reviewed with partners at least quarterly and are revisited if concerns are raised by either party.

- ▲ *"...when establishing the Kent Parenting Scheme supply chain, weekly meetings were held to negotiate delivery requirements."* – CXK
- ▲ *"...realistic profiling at the onset and continually reviewing profiles and volumes."* – Supply Chain Partner
- ▲ *"...negotiated upfront payments to help get up and running."* – Supply Chain Partner
- ▲ *"...negotiating pipelines to ensure the required levels of performance and funding are clear."* – Supply Chain Partner

Despite some payment structures being largely prescribed by the commissioner (the ESF contract, for example), most partners believe their requirements were taken into account in pre-contract award processes and payment structures, and all confirmed their confidence to challenge and seek clarification or push for additional volumes/financial support if necessary. A minority of partners believe CXK could be more proactive and assess the financial requirements of organisations post-contract award.

CXK strives to offer a flexible approach to meet the 'cash-flow' requirement of partners. This is appropriately balanced with proportionate risk management for CXK. Although there are different payment methodologies across the contracts, all but one Supply Chain Partner confirmed the transfer of funds from CXK to them was effective – with payments being received in a timely manner.

- ▲ *"...we have advanced payments to smaller organisations to support cash flow."* - CXK
- ▲ *"...payments are efficient with any variations explained."* – Supply Chain Partner
- ▲ *"...it's a very smooth and quick process."* – Supply Chain Partner

Because of the level of consultation and negotiation throughout the procurement process partners are fully aware of the value of the contract, and the associated costs and management fees. Also Supply Chain Partners described how CXK has published a document on its website which identifies the fees and any other associated costs that partners might incur.

- ▲ *"...they (CXK) were very open on their fees and showed us full details of their percentages for each payment point."* – Supply Chain Partner

3 Conduct

3a) Demonstrating Commercial and Business Integrity

The CXK mission is to make a positive difference to individuals and help them reach their full potential. Whilst there has been no formal alignment of core principles between CXK and its supply chain, all partners believe there is strong synergy between their own organisation's core principles and those of CXK. Part of the due diligence process is establishing a working ethos and understanding between CXK, the individual members of the supply chain, and the network as a whole. Site visits, in-depth discussions about working practices, bringing all potential partners together etc. facilitate this.

- ▲ *"...we are a charity that follows best business practice."* – CXK
- ▲ *"...the ethos was that everyone needed to understand the outcomes (of the service) and that was and is the focus."* – CXK
- ▲ *"...we did not align our principles but I knew we shared the same values."* – Supply Chain Partner
- ▲ *"...nothing formal – but feel we can work with them."* – Supply Chain Partner

CXK has significant experience of successfully managing TUPE (8 in the last 5 years). Most recently they managed an outward transfer to a local authority and an inward transfer as part of a merger. Transferring staff are treated fairly in accordance with legislation and ACAS best practice, ensuring effective communication with affected employees, clients and stakeholders. Current processes ensure that CXK has an honest, transparent dialogue with the outgoing provider and effective consultation and engagement of all affected staff. This takes place as soon as the discovery, due diligence and challenge processes are sufficiently advanced and their employer grants them access.

Interactions between CXK and its Supply Chain Partners are very positive and supportive. Partners across all three supply chains gave examples of regular meetings at strategic and operational levels and described how CXK staff were approachable, open to discussions and debate and are exceptionally helpful at supporting them to overcome barriers to delivery. A decision to reduce the face-to-face interactions to quarterly has been met by some partners as a disappointment.

- ▲ *"...they even take my calls at 8pm."* – Supply Chain Partner
- ▲ *"...it's a perfect relationship. They are always at the end of a phone and always offer to come out and support us."* – Supply Chain Partner

CXK ensures that legislative and statutory updates that include any changes in contract and legislation are communicated via quarterly meetings, or monthly one to one health checks if needed. Communications are also made online and through the use of the CXK website. For example there has been a recent change in legislation regarding bursaries and free school meals. This was managed through a consultation, informing all partners of changes and seeking views on how to respond. The agreed way forward was shared by email.

3b) Quality Assurance and Compliance

Embedding of a reviewing, checking and improving culture is the overall aim of the CXK quality assurance strategy. Observation of practice is at the core of the quality assurance activity, and this was made clear to Supply Chain Partners during the due diligence process so that they could prepare for it and were aware of what support CXK would provide before, during and after any observation activity. Processes and guidelines are in place to ensure consistent, high quality practice across all the delivery partners and supply chains. Supply Chain Partners confirmed that they believe the processes, policies, and activities undertaken by CXK to monitor the quality of delivery and the customer experience are relevant, proportionate and developmental.

- ▲ *"...we set clear management responsibility – clear demarcation of in-house and supply chain delivery – but when it comes to quality we have similar processes – observation of practice for example – all set the same benchmark."* – CXK
- ▲ *"...we must show them our session plans for quality checks."* – Supply Chain Partner
- ▲ *"...quality of delivery is evidence-based, with accreditation built in."* – Supply Chain Partner

Results of all quality assurance activity are used to inform the quarterly review/performance management process. Examples were given of feedback being given following observation of delivery practice to support/improve the customer experience, and how after quality assuring paperwork, a more robust approach to note-keeping was introduced which now enables CXK and Supply Chain Partners to track the progression being made by customers. This has included a review of the delivery techniques used to ensure customer expectations are addressed and met.

- ▲ *"...group work wasn't working – introduced one-to-one sessions."* – CXK
- ▲ *"...we learnt that quarterly RAG rating information on performance wasn't sufficient so now Supply Chain Partners get it monthly."* - CXK

CXK holds **matrix** accreditation, which demonstrates that the Information, Advice and Guidance (IAG) services it provides are effective. It is an integral part of the due diligence process to establish if potential partner organisations have been accredited with the Standard. If partners do not hold **matrix** accreditation then CXK undertakes the formal Information Advice and Guidance (IAG) with customers on their behalf, where appropriate. (**matrix** is mandatory for SFA funded Supply Chain Partners). IAG activity is reviewed during quality assurance observations.

"...I am subject to observation to ensure my IAG is correct." – Supply Chain Partner

Supply Chain Partners confirmed that policies pertaining to the security of data, a healthy and safe environment and the safeguarding of young people and adults at risk were all submitted to and scrutinised by CXK as part of the initial due diligence process.

CXK has signed data-sharing agreements, to ensure that appropriate client data can be shared with it, and also appropriately with Supply Chain Partners. CXK referral processes include data sharing declarations that are discussed with all referrers and potential clients.

- ▲ "...ISO27001 is on the radar for CXK to obtain." – CXK
- ▲ "...password protected documents used." – Supply Chain Partner

An assessment of a safe learning environment is included in the observation of practice visits undertaken by CXK. Health and Safety policies are reviewed annually as part of the quality cycle and improvement process and form part of the binding agreements that Supply Chain Partners are asked to sign before delivery commences. As part of mobilisation CXK contract managers will visit Supply Chain Partners on site and carry out a pre-contract visit to ensure that they are contract compliant.

- ▲ "...all activities undertaken by partners have to have a risk assessment prior to anything taking place." – CXK
- ▲ "...they did a health check on our building." – Supply Chain Partner

Each Supply Chain Partner maintains their safeguarding policies that have been ratified by CXK. The due diligence process ensures that fundamentals such as DBS checks are in place. In addition to their own policies, the Young Healthy Minds and Parenting Supply Chain Partners are asked to adhere to the Kent and Medway Safeguarding Board guidance. Training on safeguarding principles has been provided by CXK for supply chain staff – however, partner organisations appear to have their own robust in-house approach, policies and practices which ensure the safeguarding of customers.

Whilst CXK ensures that subcontractors hold a suitable environmental sustainability policy as part of the due diligence process there is still more that can be done to ensure all Supply Chain Partners understand the importance of environmental sustainability. Actions such as endeavouring to reduce unnecessary travel, the use of electronic communications/telephone conferencing, etc., were all cited as actions being taken to support sustainability.

Partners within the individual supply chains were able to give examples of how they had identified and shared excellent practice to support the delivery of the contract. Observations of practice and performance review meetings, etc., are used to identify examples of good practice, and the production of case studies, partner meetings, etc., are used to highlight and share them. Moving forward, more might be done to monitor the impact the sharing of examples of good practice has within the individual supply chain, and how these examples can then be shared across the wider network.

- ▲ "...we work together and share what each other is delivering and how – so that ideas and best practice can be taken away and used in other delivery." – CXK
- ▲ "...we keep a lessons learnt log." – CXK
- ▲ "...I requested best practice for claims procedure and got it." – Supply Chain Partner
- ▲ "...good practice from our Ofsted was fed back into the supply chain." – Supply Chain Partner
- ▲ "...there are periodic facilitator meetings for sharing best practice." – Supply Chain Partner

3c) Honouring Commitments

Partners confirmed that contract expectations have been managed effectively through written and verbal communications whilst working with CXK. Similarly, a high proportion of partners confirmed that pre- and post- contract negotiations were clear and open, and that CXK has subsequently honoured all agreements and commitments to date. Some partners did confirm that they had started their initial negotiations with KCFN pre-merger, and therefore experienced some differences in the style and approach to pre- and post- contract negotiations, but confirmed that any changes made post-contract have been discussed and agreed.

The CXK dispute resolution process is highlighted in partners' contracts, and there are regular opportunities for complaints/issues to be raised through, for example, contract steering groups. CXK has a clearly published Comments, Compliments and Complaints process and all complaints go via the Assistant Director in charge of the individual contract from which the complaint was received.

CXK confirmed that it will use all reasonable efforts to negotiate in good faith and settle amicably any dispute that may rise out of – or in relation to – contracts or a breach of contract. If the dispute cannot be settled amicably through such negotiations, it shall be referred to an appropriate body for mediation and investigation.

Senior managers confirmed that CXK would respect decisions from an appropriate and agreed Merlin Mediation Service if it were to be deemed to have not acted in accordance with the principles of the Merlin Standard.

- ▲ *"...all Supply Chain Partners have been informed of the Merlin Medication Service by CXK both orally and in writing."* – CXK

Within the individual contracts being delivered partners have a clear and unambiguous understanding of what CXK expects of them in terms of delivery, outputs, and outcomes, and CXK clearly understands what partners require and expect of it. Supply Chain Partners feel this is revisited during updates and meetings. While CXK staff have a very clear understanding of how the individual contracts support each other, partner and supporting network organisations could benefit from having a greater understanding of how individual organisations are contributing to the wider CXK supply chain.

- ▲ *"...we brought everyone together 5 or 6 times during mobilisation so they all got an understanding of what each other was doing and what we needed from them all."* – CXK
- ▲ *"...there is a peer review of performance – commissioner says it's the most open contract they have."* – CXK
- ▲ *"...there is openness on the patch."* – Supply Chain Partner

3d) Performance

As mentioned above, the ethos of the Supply Chain Partners within the contracts is to work collaboratively to support and promote the performance of their individual network/contract.

- ▲ *"...first objective is to deliver, and support each other across the contract."* – CXK
- ▲ *"...if we have underperformance in one area we bring another on board – all Supply Chain Partners have submitted 'aspirational' capacity figures so we know who can take on more to support any underperformance."* – CXK

The approach to reviewing performance has evolved over the last 12 months and was described by partners as being *"...more methodical"* than it has been, with both individual Supply Chain Partner performance and the holistic, contract level performance being reviewed, discussed and, where necessary, performance improvement action plans agreed. Partners clearly believe there are benefits to be had from regular performance reviews; so much so that a move towards quarterly and not monthly face-to-face performance meetings has been met with disappointment.

- ▲ *"...if Supply Chain Partners are performing it's an open discussion – if in-house are not performing they won't get any additional funding – both treated equally."* – CXK
- ▲ *"...quarterly review of performance against profile and RAG rated every month against each deliverable."* – CXK
- ▲ *"...we have missed one PRM so as to allow us to build up speed."* – Supply Chain Partner

Due to the robust communication processes in place, partners are very clear about what they need to achieve in both qualitative and quantitative terms. ESF partners described how performance expectations are split into four sections – assessment, start, completion and progression – and that they are very clear what CXK expects under each of the performance areas.

- ▲ *"...the performance expectations and outcomes are now much easier to evidence now – they are no longer just soft and fluffy."* – CXK
- ▲ *"...flow-chart shows what needs to be in place as evidence at each of the different stages."* – CXK
- ▲ *"...we need to manage the risk for the overall contract, so if someone is underperforming we need to manage it."* – CXK

Management Information (MI) processes vary. For example Young Healthy Minds is supported by the IYSS database and the referral coordinator spreadsheets. There is not an integral management information system for the Parenting service. Performance management data is therefore gathered from a number of sources, including a referral coordinator spreadsheet, weekly registers, etc. The ESF team uses the PICS database to record all records and to upload data to the SFA for payment.

While Management Information is in the main paper-based it is perceived by Supply Chain Partners as being effective and 'user friendly'. Some ESF partners were able to make comparison between other Primes' requirements with CXK's, which are seen to be as slim-line as possible, yet in the main effective. Moving forward, CXK needs to consider what systems and processes it needs to develop to ensure the MI it can provide for its supply chain and commissioners is robust, accurate and easily accessed.

- ▲ *"...ESF always have an extensive paperwork requirement but CXK has worked to slim this down as much as possible."* – Supply Chain Partner
- ▲ *"...was haphazard at first – had to prepare own spreadsheets."* – Supply Chain Partner

All Supply Chain Partners believe that value for money across the contracts was covered in EoI and the subsequent due diligence, where conversations took place around the quality of delivery, group vs. individual sessions, etc. Other examples of value for money shared by Supply Chain Partners were specific to the organisation/contract. For example the Kent Parenting Service have a 'cost per head' calculator and can currently demonstrate that they are overperforming, which means value for money across the contract is being achieved. Also within the ESF project guided learning hours were not initially set as part of the programme, but these have now been introduced so Supply Chain Partners are delivering more. Parameters used by CXK to identify value for money for the current contracts include length of programme, accreditations, learner journey and feedback, guided learning hours, progression, retention and completion rates.

- ▲ *"...we ensure that public money only pays for achievements – we know that some contracts payout regardless of delivery – we are not in that arena – we pay only on outcomes."* – CXK
- ▲ *"...it's about adding value by really focusing on the target groups as a whole and not just the easy targets."* – CXK
- ▲ *"...there have been changes so we are now doing more for the same money."* – Supply Chain Partner

A variety of measures are used to measure the progress of customers including the distance travelled during their time on programme. For example the Assessment, Planning, Implementation & Review (APIR) Wheel has been shared with Supply Chain Partners to use with customers during their time on programme, and post-intervention customers are encouraged to go online and complete a feedback survey. Young Healthy Minds partners use Strengths and Difficulties Questionnaires and evaluations to measure distance travelled by their customers. The Parenting supply chain uses Parent/Carer Surveys and evaluation forms, and ESF Essex has implemented an online survey to capture young people's views and distance travelled.

3e) Promoting Diversity and Equality

Partners confirmed that they are expected to demonstrate a commitment to diversity and equality (D&E) aligned to that of CXK, which is checked/discussed during the initial contracting phase and then yearly thereafter to ensure legal and contractual compliance. They also confirmed that they are expected to promote diversity and manage equality at every opportunity and throughout the lifetime of the contract.

For example, any observation of delivery of services by partners includes consideration of access, and equal opportunities generally. Good practice aligned to D&E is also shared during partner meetings.

▲ *"...we will observe the partner's policies in action when we undertake observations."* – CXK

Generally the monitoring of supply chain partners and their adherence to policy and process occurs through demographic data that is collected, views and experiences of those experiencing services and other stakeholders, and through the comments, complaints and compliments process. Demographic data is collected for Parenting and Young Healthy Minds to ensure that the services are reaching a wide demographical group as per the contract, and recruitment to these programmes adheres strongly to D&E policy. CXK used the PICs database to record, monitor and feedback on referral and start statistics in respect of vulnerable, minority and priority target groups.

There is no question that equal opportunities is at the heart of what CXK and Supply Chain Partners do on a day-to-day basis. Because it is so 'embedded' the activities taken to promote diversity and equality go almost unrecognised, and therefore consideration needs to be given to how performance can be improved by developing a holistic, open approach to the use of equality data, and the sharing of excellent practice across the supply chains.

▲ *"...ESF expect 51% of customers to be female – we monitor this."* – CXK

4 Review

4a) Supply Chain Review

Feedback is obtained from a wide range of stakeholders, including commissioners, customers, schools, training providers, consortia bodies, Supply Chain Partners, local authorities, Chambers of Commerce, and health and education establishments. Feedback methodology varies, from face to face/one to one discussions through to formal and recognized engagement tools. For example, customer feedback is measured through the customer journey, and the Parent-Child Relationship Inventory is also used, with the documentation being collated and feedback provided to the commissioners to ensure impact. Parent/customer surveys are also collected for internal use for review, and used to inform future practice to ensure programmes are fit for purpose. Supply Chain Partners described how they feel that feedback about the design of the supply chain and the delivery of the contracts is integral to the way the networks are established and managed – with all parties continually reviewing performance and improving practice.

- ▲ "...Councils are the stakeholders along with the SFA." – CXK
- ▲ "...customer feedback is the key – will scan and seek views." - CXK

CXK is using the Ofsted framework to Supply Chain Partners to identify strengths and areas for improvement. Part of CXK's quality improvement cycle is to gather views from partners in respect of their strengths and weaknesses in relation to teaching, learning and assessment in particular. Supply Chain Partners are also encouraged to share their views on CXK's competence; this feedback is included within their Annual Self-Assessment Report (SAR). In addition, opportunities and threats are fed into the organisational risk reporting process (those are identified by CXK Supply Chain Partners and CXK staff) and are used as part of the business planning cycle.

- ▲ "...CXK SAR and QIP – it's a rolling process – QIP is reviewed by Assistant Directors monthly along with the risk register, etc." – CXK
- ▲ "...they treat everything as a live document." – Supply Chain Partner

CXK maintains good links at a county, regional and national level, for example the CXK Business Development Director is a member of Kent Joint Commissioning Board and therefore has access to relevant and timely information which they share with their supply chain, such as feedback from the Skills Funding Agency, ESF cross-cutting themes, priority target groups, geographical hotspots as identified by the commissioners, etc. Partner meetings, emails, and one-to-one discussions are used to share this information. Moving forward, consideration should be given to developing a key communication strategy which includes regular updates from all commissioners to all Supply Chain Partners – regardless of the contracts they are currently delivering.

Partners had an understanding of the wider policy and strategy of the commissioner of their contract and how they impact on some wider social objectives. For example Supply Chain Partners cited targets around young people and engaging with them to stop them becoming not in education, employment or training (NEET), softer targets aligned to reducing referrals to other agencies, and the ESF cross cutting themes.

Although CXK feedback to partners' progress toward a range of additional targets, the majority of examples shared by Supply Chain Partners were anecdotal. More therefore can be done to ensure that the measurable impact CXK and its Supply Chain Partners are having on the wider social objectives/policy intent of the commissioner is recorded and celebrated. However, the majority of examples were anecdotal.

- ▲ *"...Supply Chain Partners have various opportunities to work with NEETS and other people at risk, which are a key focus for the commissioners."* - CXK
- ▲ *"...we track the soft outcomes but CXK could do more on promoting our successes."* – Supply Chain Partner

CXK has developed review and improvement strategies for their individual supply chains. For example, an annual review of the Young Healthy Minds supply chain ensures that partners and CXK are in agreement with improvements to the service to meet the changing needs of customers, staff and commissioners. For the Kent Parenting Service, the steering group meetings are used to identify areas for improvement and ensure agreed actions are implemented. At the quarterly review meetings with ESF Supply Chain Partners, market share may be reallocated across the supply chain to ensure the service is meeting the needs of young people and overall contract requirements. Providers with capacity may be asked to take on additional work, and adjustments made to the timing of their profiled delivery if this is needed to meet the broader needs of the contract.

By the very nature of the work of CXK and the contracts it and its supply chain deliver, they are having a positive impact on such aspects as customer health and wellbeing, poverty and employability and skills – though as identified above, the positive outcomes tend towards the anecdotal. Opportunities therefore now exist to extend the range of data collection to other stakeholders, in order to better understand the wider impact of the supply chain on these key social objectives. Traditionally staff working in this environment enjoy high levels of motivation and satisfaction in their work because of the positive impact they have on customers. However, it is important to note that CXK has further promoted employee wellbeing through joint training, whole service days, and regular meetings, which provide an opportunity for staff to contribute to service development, engage in job enrichment and increase job satisfaction.

Conclusion

CXK has exhibited behaviours that fully meet the requirements of the Merlin Standard, and some areas of good practice have been demonstrated.

Working towards accreditation against the Merlin Standard has clearly brought benefits to both the organisation and its supply chain. CXK has used and continues to use the Merlin Framework to improve its supply chain management strategy.

As one member of CXK said, "*...working with Merlin has been a learning experience – one which we will continue post this assessment.*"