



merlin

promoting supply chain excellence

Assessment Report
For

REED IN PARTNERSHIP

By Ruth Regan

On behalf of emqc Ltd

Assessment Date: 18/06/2012 – 21/06/2012

Contents

About the Organisation	3
Assessment Methodology	3
Assessment Outcome	3
Strengths	4
Areas for Improvement	5
Areas Requiring Further Development	6
Assessment Findings	
1 Supply Chain Design	7
2 Commitment	9
3 Conduct	14
4 Review	20

About the Organisation

Reed in Partnership (Reed) exists to change people's lives for the better.

Through the Reed family of companies it has over 50 years of experience of working with over 25,000 employers (from local businesses to large multi-national corporations) to create tailored recruitment and retention solutions to enable people to move into work. Since 1998 Reed has helped over 120,000 people move from welfare into employment and assisted many more people gain the skills needed to enter and progress within the labour market.

In addition to the Work Programme and the ESF Families Programme, Reed deliver a range of employment programmes including 'Right Futures', which is designed to support 16-19 year-olds in London who are not in education, employment or training. In partnership with Hackney Council, Reed in Partnership provide employability and skills support to help Hackney's long-term unemployed into sustainable work and in Enfield and Southwark the 'Work Routes' programme supports local residents to access job opportunities and improve their skills.

Assessment Methodology

The Merlin assessment plan agreed between the lead Assessor and Reed ensured that a representative sample of the supply chain operating in West London, East London, East of England, Cumbria, Lancashire, Merseyside and Halton took part in the assessment.

The assessment team, including the lead Assessor Ruth Regan, and team Assessors Carole Fox and Linda Howell spent 12 days onsite completing the assessment which involved face-to-face or telephone discussions with employees from 19 Supply Chain Partners (14 end-to-end and 5 specialist providers) which represents some 62% of the supply chain delivering the Work Programme and the ESF Families Programme on behalf of Reed.

A range of Reed personnel engaged in supporting and managing the supply chain, some 24 in total, were also interviewed.

The assessment team visited locations in London, (including Hammersmith, Lewisham and Stratford) Kempston, Peterborough, Liverpool, Knowsley and Blackburn in order to ensure a wide spread of Supply Chain Partners and Reed employees was engaged in the assessment. As well as the interviews, the team was able to review a range of written documents and gained an understanding of the IT systems used by Reed and their supply chain.

Assessment Outcome

Overall %	73%
Overall Outcome	Good
Supply Chain Design	Excellent
Commitment	Good
Conduct	Good
Review	Satisfactory

Strengths

A range of strengths was identified during this Merlin assessment and a summary of these is given below. The numbers in brackets relate to the criteria of the Standard to which the areas relate.

- ▲ The approach taken to the development and subsequent delivery of a supply chain management strategy has ensured that the process and activities undertaken to identify the scope required of the supply chain meets the objectives of the commissioner and their contractual requirements. (1a.1)
- ▲ The robust qualitative and quantitative assessment of organisations' capability and capacity to deliver has resulted in a supply chain which comprises of a diverse mix of public, private and third sector organisations that meets the needs of the customer as identified through research activities. (1a.1) (2c.1)
- ▲ Communications at all stages of the procurement activity and following contract award were described by the supply chain as being '*consistently excellent*' and a '*key strength of the organisation*'. Both oral and written communications were acknowledged as being consistent, clear, timely, honest, straightforward, two-way and appropriate. (2a.1) (2a.4) (2a.5) (2c.1)
- ▲ The role Reed plays in actively supporting the growth and improvement of Supply Chain Partners is recognised and appreciated by all members of the supply chain. (2b.1)
- ▲ Supply Chain Partners all confirmed that they felt the processes and procedures used by Reed ensured the procurement was managed extremely effectively. The time and effort taken by Reed staff to ensure finance models, volumes, market share, flows etc., were understood, appropriate and did not cause undue financial risk was clearly appreciated by the supply chain. (2c.1) (2c.2) (2c.4) (2c.5) (2c.6)
- ▲ The core principles by which Reed operates as a business were acknowledged by their Supply Chain Partners as being consistently and openly applied - resulting in positive and supportive relationships. The time, effort and approach taken to managing TUPE was particularly highlighted as a demonstration of these principles. (3a)
- ▲ Supply Chain Partners commented that at all levels and across all teams within Reed, personnel are approachable, available, supportive and responsive. (3a.3)
- ▲ The whole approach taken to quality assurance and compliance was acknowledged as a strength by the supply chain. In particular the strategy for the security of data and assets, based around ISO 27001, is understood by the supply chain and robustly supported and monitored by Reed. The safeguarding, health and safety and diversity and equality policies and processes of the supply chain are also robustly adhered to. (3b.4) (3b.5) (3b.6) (3e.1)

- ▲ Through the approach taken to engaging with organisations both pre and post contract, Reed's expectations of their Supply Chain Partners are very clear and unambiguous. (3c.1)
- ▲ The clarity and frequency of management information has ensured that all performance expectations are clearly understood. Performance review is carried out in a supportive and developmental manner ensuring Supply Chain Partners are given every opportunity to succeed, highlight innovation and demonstrate progression. (3d)

Areas for Improvement

In order to support the organisation to further develop and improve its supply chain management strategy, the following suggestions for improvement are made by the assessment team.

- ▲ Consider how much consultation is undertaken before the introduction of new policies and / or processes to ensure they are proportionate and acceptable to all and within the spirit of a 'Black-Box delivery model. (2a.2) (3b.2)
- ▲ Continue to support Supply Chain Partners to develop their business proposition through signposting and supporting them to additional funding streams. Evaluate success rates and the impact on the individual organisations capability to delivery. (2b.2)
- ▲ Revisit how you actively promote, and facilitate the learning and development of supply chain staff – consider how needs are identified, how, when and where programmes of learning are promoted and what measures you put in place to evaluate the impact and effectiveness of learning interventions on service delivery. (2b.3)
- ▲ Continue to review the impact of low volumes on the cash-flow / financial viability of the Supply Chain Partners and review financial / contractual arrangements as appropriate. (2c.5) (2c.6)
- ▲ Continue to review the range of processes relating to the monitoring of quality and ensure the findings are proactively used to improve the service delivery across the supply chain, while ensuring the spirit of a 'Black-Box' delivery model is maintained. (3b.1) (3.b2) (2a.2)
- ▲ Review, and if necessary revise, the steps taken to ensure that impartial, effective & timely information, advice and guidance is given to the supply chain. (3b.3)
- ▲ Develop the work already undertaken on embedding environmental sustainability across the supply chain and support partners in developing, setting and monitoring more effective targets. (3b.7)

- ▲ Continue to remind Supply Chain Partners of your commitment to the Merlin Mediation Service and the Independent Case Examiner. (3c)
- ▲ Ensure the concept of 'value for money' is understood, promoted and shared across the supply chain. (3d.5)
- ▲ Continue to review how diversity and equality data is collected, analysed and used to inform improvements to service delivery and supply chain design. (3e.2) (3e.3)
- ▲ Continue to review the holistic needs of customer groups and ensure the supply chain; including Specialist Supply Chain Partners meet their needs. (4a.1)
- ▲ Continue to ensure that the development of the annual self-assessment report is developed with input from all stakeholders and that any subsequent action / development plans are shared across the supply chain. (4a.2)
- ▲ Ensure Supply Chain Partners develop their own impact measures to support the wider objectives of the commissioner and that successes are shared. (4a.3) (4a.6)
- ▲ Continue to review the holistic needs of customer groups and ensure the supply chain; including Specialist Supply Chain Partners meet their needs. (4a.1)

Areas Requiring Further Development

- ▲ None identified during this assessment.

Assessment Findings

1 Supply Chain Design

1a) Supply chain design

As part of its commitment to becoming an effective Prime Contractor, Reed spent time working with a major professional support services organisation to help them build on its previous experience of 'contract management' and develop a unique supply chain management strategy and delivery model based on organisational structure, roles, process, infrastructure and support.

Once the decision was made to engage with the Department for Work and Pensions (DWP) to become a Prime Contractor for the Work Programme, Reed began a programme of market stimulation covering all Contract Package Areas (CPA), engaging with a diverse and wide range of organisations to gain an understanding of the needs of potential customer groups in each region and to identify and visit potential partners. This was particularly evident in the market stimulation that took place for the ESF Families Programme, where Reed engaged all 50+ Local Authorities within the North West, London, and East of England to engage them in discussions about their potential delivery model and to gauge their feedback on it's appropriateness.

Information on how to apply to be part of the Reed supply chain was (and still is) provided through the use of Reed in Partnership's web site, and for specific contracts through relevant sector specific websites such as Indus Delta and Carley Consult. In addition Reed ran regional events for interested parties to hear about their approach to supply chain management, their delivery model, their mission and vision etc. Partner's confirmed that *"...Reed did some very good focus events prior to contract submission and we were very pleased when they won the contract in our area."*

A dedicated team was appointed during the Work Programme bidding stages to understand the specific needs of customers in each geographical area with focus groups run locally to help inform supply chain design. Reed operational delivery staff were also engaged in determining the common barriers faced by customers returning to work to support the identification of the most suitable specialist call off provision available to help overcome these barriers. The engagement with Local Authorities also helped determine customer needs within their areas and ensure that the supply chain construction would have suitable organisations to address the needs of customers within each specific borough / local authority area.

Organisations wishing to partner with Reed complete a two-stage application process. The first is a Provider Assessment Questionnaire which is graded against a set range of both qualitative and quantitative criteria. If an organisation meets the required grade they are accepted on to the Reed Provider Network. If providers are unsuccessful they receive feedback via email highlighting those areas within the questionnaire where they were graded 'below expectation' and are given a contact name and phone number should they wish to receive more individual feedback as to why their application was not successful.

Once accepted onto the Provider Network, organisations receive notification of bidding opportunities and complete a specific Expression of Interest for that contract.

The procurement processes for both the Work Programme and the ESF Families Programme followed stated time-lines and organisations were kept informed at all stages. During both the appointment and selection stages of procurement for these contracts, Reed actively evaluated the make up of the supply chain construction to ensure there was sufficient scope and variety of organisations within it.

The approach taken to market stimulation and subsequent appointment of organisations to the Reed Provider Network has resulted in a supply chain which comprises a varied mix of public, private and third sector organisations whose skills, abilities and experience align with those of the identified customers needs.

The split of end-to-end Supply Chain Partners delivering the ESF Families Programme consists of just over 40% public or voluntary organisations, which varies by CPA and depends on the proportion of services being delivered by Reed in Partnership directly.

In CPA 7, (Cumbria & Lancashire / Merseyside / Halton) public and voluntary organisations deliver over 56% of the programme. The split of all partners on the ESF Families Programme (including specialist partners) is significantly weighted to ensure that there are sufficient specialist organisations from public and voluntary sectors in the supply chain, across all four CPAs, with 71% of all providers being voluntary or public organisations.

42% of Supply Chain Partners delivering the Work Programme are third sector organisations, 24% public and 34% private. Within the mix of partners are a range of small, specialist organisations as well as larger organisations delivering across a range of CPAs and for a number of Prime Contractors.

The Reed Provider Network includes some 700+ organisations that have been accepted as meeting the base-line quality assurance standards required from which supply chains are selected. Details of specialist partners appointed to each supply chain are available to all end-to-end contracted Supply Chain Partners so that specialist services can be utilised as and when appropriate. End-to-end Supply Chain Partners described how they had been able to introduce their own network of organisation into the Reed Provider Network to ensure they were able to offer specific specialist support to their members in their area (domestic violence, drugs, registered social landlords etc.). As one partner commented, "*...Reed stands out as an organisation who wants to engage with organisations that have specific expertise to offer.*"

2 Commitment

2a) Collaboration, cooperation and communication

Successful communication is a key aspect of the Reed supply chain management relationship strategy and effective methods to communicate with providers at all stages of the procurement and business management process have been established. For example:

- Effective use is made of presentations (genesis telekits, in person, PowerPoint sent on email) which clearly outline the full procurement process and all the stages that organisations would be expected to go through if they were successful in becoming part of the contracted supply chain. Subsequent presentations have been given on changes in contract variations, interim payment processes and new alterations to commissioner's processes.
- Emails and monthly ESF Service Delivery Boards were used for engaging with DWP to resolve initial referral issues arising on the ESF Families Programme.
- The Reed organisation's commitment to the successful delivery of both the Work Programme and the ESF Families Programme are shared locally through the Director of Supply Chain Management and Operations Director who both engage directly with all Supply Chain Partners at Service Delivery Boards and share future business plans with providers.
- Service Delivery Boards were held monthly during the early stages of delivery, which was acknowledged by both Reed and their Supply Chain Partners to be an advantage

Supply Chain Partners confirmed that the robust communication strategy, activated prior to tender and contract award, has been carried through into the post contract phase with daily and weekly email communication supported by regular face-to-face meetings with their dedicated Reed Commercial Manager.

Consultation has taken place with the supply chain which has led to a range of improvements being highlighted and introduced. For example, consultation on the use of a 'Better off Calculator' resulted in the whole supply chain (including Reed's direct delivery) using a best practice tool identified by one of the Supply Chain Providers.

Other examples of decisions / changes made after consultation with the supply chain include:

- Reducing referral times on ESF Families Programme;
- Making changes to the delivery model for the Work Programme, and;
- The condensing of some email communication into one weekly email sent through to designated provider email addresses.

Reed's commitment to encouraging its supply chain to work collaboratively started pre-launch with a planning review meeting with all 6 Work Programme end-to-end Supply Chain Partners during which partners were asked for their input on a range of subjects including agreeing how the contract would be delivered. All Supply Chain Partners confirmed that the key vehicle for ongoing collaboration is the Service Delivery Boards.

Discussion at these and other meetings between Reed and their supply chain has resulted in activities such as site swaps, providers undertaking best practices they have learnt about / observed at other partners' delivery sites, a joint approach to some bulk vacancy opportunities including Transport for London, collaboration on stakeholder engagement across the supply chain including working with the Princes Trust and Disability Works UK.

The Families Programme Supply Chain Partners described how they are working together in developing strong relations with those partners offering specialist provision.

Supply Chain Partners confirmed that communication activities are clear, transparent and effective. A range of formats, styles and frequencies ensure that there is no ambiguity regarding the business relationship. Partners described how:

- The Commercial Managers are the key point of contact for day-to-day communications;
- The Service Delivery Boards are used to discuss a range of topics including issues relating to delivery and Reed facilitate the sharing of best practice to find appropriate solutions to problems;
- As the Prime provider, Reed has acted as an interface between the supply chain and DWP to resolve matters and raise concerns, this includes working on solutions on resolving referral issues on the ESF Families Programme;
- Telekits are held where possible to ensure communications can take place without unnecessary time spent away from the office;
- Prior to contract, face-to-face meetings were held to discuss any fears or uncertainties providers may have had about the contractual legalities and to ensure there was absolute clarity for them about their liabilities, and;
- There is a dedicated email address and email in-box for all supply chain queries.

Words used to describe the culture, behaviours and communication style deployed by the Commercial Managers were '*supportive*', '*no blame culture*', '*very professional*', '*honest*', '*sharing*', '*knowledgeable*', '*what they say they do*', and '*responsive*'. Employees throughout the supply chain confirmed that all Reed personnel engaged with at the different stages of the supply chain relationship have been open and honest in their communications. The use of the Service Delivery Boards as a forum where all Supply Chain Partners are able to focus on and openly discuss performance was also highlighted as confirmation of how Reed has created a culture in which communication is open and honest.

2b) Developing Supply Chain Partners

Reed has played a very active role in supporting the growth and development of Supply Chain Partners as it believes that "*...capability development is the key – if we develop our Supply Chain Partners then we can use them more or give them more opportunities to tender.*" This developmental strategy has manifested itself in a variety of ways including:

- Commercial Managers providing dedicated support to improve delivery management methodology within providers (i.e. performance and caseload management support);
- Supporting Supply Chain Partners at presentations to local strategic and delivery stakeholders;
- Sharing the Reed Work Programme delivery model with the supply chain to help drive performance improvements, and;

- Engaging with the Supply Chain Partners' management teams to help them understand the management information provided, identifying areas for development and agreeing actions to move them forward.

Supply Chain Partners commented that they felt Reed demonstrated a very progressive and even '*parental*' approach to supply chain development.

All organisations on the Provider Network are contacted with potential funding opportunities which are identified by the Reed Business Development team. For example, a couple of Supply Chain Partners recently joined with Reed to tender for a small Local Authority contract. Experienced bid writers within Reed have also supported members of the supply chain in developing their own bid writing expertise. Partners also described how the Service Delivery Boards are used to inform them of bid / funding opportunities.

Supply Chain Partners described how they had attended an initial three day training programme delivered by Reed covering process manuals, the IT system Orion and required documentation etc., and how it had been very well received by those who attended. Although extra training has been offered (and taken up) free of charge, for the majority of Supply Chain Partners, staff development has been primarily through coaching and support from their Commercial Manager. For example Commercial Managers have:

- Spent time with a new administrator within one organisation to ensure they understood the key aspects of the role;
- Offered shadowing opportunities within Reed to enable a partner to understand the Reed approach to service delivery;
- Provided tools and templates to improve delivery, and;
- Worked with senior managers reviewing organisational and individual performance data and the potential impact on cash-flow.

2c) Contracting and funding

All Supply Chain Partners confirmed that they felt the processes and procedures used by Reed ensured procurement was managed extremely effectively. It was described as very fair, open and transparent and underpinned by a robust and time-lined communication and activity plan. Reed has developed a standardised assessment process for all organisations joining their Provider Network and then tailors an Expression of Interest / Invitation to Quote document to the specific tender requirements. Feedback to those who are unsuccessful in their application to join the Network is given, initially via email then followed up, where requested, with more detailed and tailored feedback. A number of Supply Chain Partners described how the feedback they had received had enabled them to re-submit their application and that they had subsequently been accepted as a Supply Chain Partner.

The funding models used by Reed mirrored those set out by the commissioner. However, Reed made it clear to interested parties during their awareness raising events that competitiveness and value for money are key aspects of the commissioner's requirements whilst also recognising that '*cheapest is not always necessarily best*'. There are numerous examples of how potential financial risks to both Reed and the individual Supply Chain Partners' has been taken into account.

For example:

- Indicative flow models were produced for each Work Programme partner so they could work out their own costing model;
- Payment by results was a new concept for some 3rd sector / charity organisations within the supply chain, so Commercial Managers have spent time reviewing performance and the impact it may have longer term on the organisation's cashflow;
- Providers were alerted where offers were considered to be unrealistic on cost or performance grounds and a more realistic and achievable delivery and costing model negotiated, and;
- Negotiating a larger attachment fee on one customer group which provided more front loaded capital to enable a voluntary sector organisation to join the supply chain.

Reed provided Terms and Conditions in advance of contracts and assisted organisations with making the contracts signing process as smooth as possible. Support was provided from the Reed Procurement and Contracts Manager on a range of clarification points on the contracts raised by individual providers.

Contractual documentation is acknowledged by the partners as in the main reflecting the DWP contract and requirements. Additional requirements including reporting, risk, quality, minimum service requirements and performance management are also included. While all end-to-end partners appreciate the detailed contract is required due to the programme specifications, a recent Service Level Agreement sent to Specialist Providers is perceived by some of these organisations as being too complex for the level of service being contracted for. However, Reed confirmed that all agreements are required to have minimum terms as per DWP's request and that they would look into how this is explained to Specialists.

As part of the market share analysis Reed undertook a strategic review to determine the most appropriate Reed direct delivery areas and to highlight those areas relevant for supply chain support. Subsequently, each partner's market-share was based on their prior experience and capability as described in their qualitative and quantitative assessment questionnaires and the requirements of their defined delivery area (Jobcentre or by Local Authority area). Supply Chain Partners confirmed that the market-share was agreed based on the needs of their area and on their abilities to deliver.

Pricing proposals, issued for Work Programme providers prior to tender, allowed interested parties to submit their own costings and performance offers for the programme. To ensure that subsequent negotiations were carried out in an equitable and fair manner, guidance was given to all Reed personnel involved in the process. Supply Chain Partners described how, during the post-tender mobilisation meetings, expected funding peaks and troughs together with detailed performance expectations in terms of delivery and conversion rates were discussed.

These meetings were perceived by the supply chain as being '*open negotiations*', '*a collaborative approach*' and '*non-prescriptive*'.

Numerous examples were shared by Supply Chain Partners of how negotiations undertaken took account of their individual needs and resulted in specific payment terms being negotiated. For example Reed agreed;

- To take responsibility for any potential TUPE liabilities, where this was possible in exceptional circumstances;
- A higher attachment fee to ease initial cash-flow concerns, and;
- Different invoicing arrangements for non-VAT registered organisations.

Supply Chain Partners confirmed that the payment procedures and processes for claiming output evidence is very clearly defined and that the system is, as far as they are concerned, working well. There are examples of flexibility being applied such as alternative arrangements being put in place for paying partners outside of a self-billing arrangement where they are not VAT registered. Reed's commitment to payment within 30 days of Invoice is appreciated by partners who acknowledged that in most cases payment occurs within 7 to 14 days. Supply Chain Partners also described how they believe the robustness of the approval and payment process ensures that the risk of any financial claw-back is limited.

A Frequently Asked Questions log produced prior to contract award outlined the services Reed would offer as a Prime Contractor for the management fee that would be charged. Supply Chain Partners described how they felt that having access to a dedicated Commercial Manager, the use of the Orion IT system, the regularity and variety of performance management information, access to, and information on, additional funding opportunities etc., meant the management fee was *'good value for money'*.

3 Conduct

3a) Demonstrating commercial and business integrity

An integral part of the selection process was the providers' ability to meet the business principles required of the Reed supply chain. This includes:

- Achieving high performance;
- Having a focus on customer satisfaction and wellbeing;
- Honesty;
- Accountability, and;
- A good understanding of the needs and challenges faced in the sector.

Supply Chain Partners believe that these principles are carried through into action by Reed personnel and that they are 'aligned' with their own. This was particularly commented upon by the small, charitable, third sector Supply Chain Partners with one commenting "*...Reed is a private sector organisation with a genuine social conscience.*"

Significant work was undertaken by Reed to develop and implement a clear and effective strategy to manage the TUPE process. This involved gaining all the employee liability information from all the outgoing Primes and their subcontractors and looking in detail at service provision they believed it applied to. Initial presentations to all affected organisations set out a basis on which Reed would comply with the requirements and ensure that the liability was fairly allocated (so as not to detrimentally impact the providers). Liabilities were allocated fairly according to the contract proportion percentage and how that linked to salary liability. Supply chain staff commenced communications, but this was fully supported by Reed HR who helped to facilitate the transition and also checked that consultations were taking place. Reed tracked the process to make sure that Supply Chain Partners were complying with the process and the legal requirements. After concerns were raised by a couple of charities about their potential TUPE responsibilities, Reed agreed to take on some of the liabilities for them to give them the confidence to enter into a contract to deliver.

The interactions between Reed and Supply Chain Partners are acknowledged as being very positive and supportive. The Commercial Managers are responsible for all daily contact and communication; and they were singled out by all providers engaged in this assessment as being responsive and supportive. However other teams within Reed (the IT help desk, the business development team, the senior management team etc.) were also acknowledged as interacting with the supply chain in a responsive and supportive manner. An important aspect of the interaction with the Commercial Managers is that they are perceived by the supply chain as being able to respond to requests for support with practical, real solutions.

Post contract award, mobilisation and implementation trackers record that policies and procedures and minimum requirements linked to legislative and regulatory requirements were in place. Since then, these have been monitored by a combination of the Commercial Manager, the Risk Management team, Internal Audit team and the Finance Claims team.

Any concerns are raised and addressed with the individual partner through their performance improvement plans and / or raised with the whole supply chain as an area for programme improvement or, where necessary, investigated in more detail to identify root causes.

3b) Quality Assurance and Compliance

The Reed supply chain management relationship timeline (which sets out the supply chain timeline and relationship journey) details the level and frequency of quality assurance monitoring that will take place along the relationship journey.

For example, after the first 6 months of delivery, Commercial Managers introduce their Supply Chain Partner organisations to their Provider Improvement Plan (PIP) which is used to set SMART improvement actions to be undertaken by the provider to improve quality and performance in their widest sense. Substantial and robust management information is used to monitor the quality of service from high level key performance indicators, through to detailed compliance reporting on areas such as data integrity and in-work support. Detailed operations packs are shared with partners enabling them to monitor the member experience including caseload sizes, conversion rates etc.

A range of quality assurance activity takes place including internal audit checks, quality assurance reviews and management information and systems checks. The findings of these monitoring processes are logged and SMART action / development areas written into the partners PIP. For example:

- A partner was struggling to manage performance so their Commercial Manager suggested the use of visual aids such as whiteboards to help staff and members see progression / job opportunities and successes etc. This was acknowledged as having had a positive impact on the customer experience and the service delivery of that partner;
- ESF Families Programme advisers have been shadowing Work Programme advisers to enable them to understand the differences and similarities between the two programmes, and;
- The finance team has undertaken checks on job outcomes to ensure that the information is robust and any issues have been raised with internal audit and addressed with partners through their Commercial Manager.

Reed makes every effort to ensure that it provides its Supply Chain Partners' impartial, effective and timely information, advice and guidance (IAG). Policy guidance and information is shared on the 'P' Drive of the IT system so that all partners have access to up to date and accurate information. Reed has produced a brochure containing quality assured providers of a range of services – including IAG. Strategic partners such as The Prince's Trust and Disability Direct UK have been contracted with to provide support, information and expertise on specific customer groups.

Due diligence checks undertaken prior to commencement of contracts ensured that partners had the required policies and processes in place to ensure and maintain the security of all data etc. from day one of the contract being signed. Where plans were deemed as not being sufficiently robust, assistance was provided by a subject matter expert.

Letters have been received from all Supply Chain Partners answering questions on their approach to zero-fraud tolerance and confirming a commitment to keeping all data secure. Supply Chain Partners also confirmed that they are actively encouraged to work within the requirements of ISO27001 and security issues are picked up as part of the auditing process, during visits from Commercial Managers and at Service Delivery Board meetings.

As with security, the checking of health and safety policies and procedures was an integral part of the due diligence and mobilisation process. In line with DWP contractual arrangements, an '*eyes and ears*' approach is adopted by Reed personnel whilst on Supply Chain Partners premises to highlight any observations on potential health and safety concerns. Work Programme Supply Chain Partners confirmed that the approach taken to reviewing how health and safety policies are actioned is an integral part of the audit and review process. ESF Families Programme partners are aware that a robust monitoring visit will take place at 6 months from the start of delivery.

Supply Chain Partners confirmed that enhanced Criminal Record Bureau checks are undertaken across the supply chain and that safeguarding policies and their application are robustly audited by Reed. Guidance is given on safeguarding in general as well as policy development.

Reed requires its Supply Chain Partners to have an up-to-date environmental sustainability policy and plan in place. While there is evidence that some monitoring of policies has taken place, there are as yet, no improvement targets in place. Partners have completed an environmental survey on the ESF cross cutting themes, (including environmental sustainability) and the results will form a full action plan which will cover all partners and will inform the company's overall sustainable development action plan.

Service Delivery Boards were described by Supply Chain Partners as having a collaborative / sharing of good practice ethos. See (2a) above. Collaboration was perceived as being particularly strong amongst the Supply Chain Partners of the ESF Families Programme in the North West.

3c) Honouring Commitments

Supply Chain Partners confirmed that contract negotiations were clear and open and that post-contract funding and contracting arrangements reflect pre-contract agreements. They shared examples of how their individual circumstances were acknowledged and discussed and that they were given every opportunity to understand and discuss the contract requirements.

A robust dispute resolution process is in place which is described within contracts and shared during meetings with the Supply Chain Partners. Partners confirmed that they felt able to raise concerns with the Directors of Reed as they are known to the supply chain due to their active involvement in pre and post contract discussions and through their attendance at the Service Delivery Boards. Senior managers within the supply chain were aware of the services of the Independent Case Examiner and confirmed that they would feel comfortable using the process if needed.

Directors confirmed that they are committed to working with all stakeholders, including the Merlin Mediation Service to ensure that best practice is distributed and acted upon.

Expectations of the supply chain were discussed, agreed and confirmed as being understood during the pre and post contract phase communications. Terms and Conditions were, where possible, referenced within the Heads of Agreements prior to tender submission to ensure that providers understood the upcoming contractual requirements. Following contract award (for both the Work Programme and the Families Programme) and prior to mobilisation, Reed arranged for all the relevant Supply Chain Partners to attend a joint event at which expectations of all parties were shared and discussed. Critical success factors and key components of a successful delivery strategy were also shared.

3d) Performance

Supply Chain Partners work together through the Service Delivery Boards where collaboration and best practice sharing is encouraged. At a 'grass-roots / individual' level, Commercial Managers also actively encourage the supply chain employees to work together and support each other to improve performance. The Family Programme Supply Chain Partners in the North West described the working culture across the supply chain as being '*a team effort*' describing formal presentations with other partner organisations, cross referrals and sharing Family Forums to the benefit of partners and more importantly members. The approach Reed has taken to bring partners together appears to be working very well, and any perceived barriers to collaborative working are being overcome.

Standardised PIPs are in place with supporting Terms of Reference (TORs) documents which identify areas of discussion during the monthly Supply Chain Partner review meetings. Partners confirmed that these reviews are undertaken fairly, with the focus being on progression and performance improvement. Trend analysis information is provided which gives providers their actual performance three periods in arrears and potential performance three periods in advance and this is used to focus the dialogue between the provider and their Commercial Manager. One provider explained how by reviewing the figures, together with a discussion about the progression of members into employment, they increased a projected figure of 12 members into jobs to an actual figure of 20.

The Service Delivery Boards are also perceived by the supply chain as an open and honest forum in which to focus on performance; not just on key performance indicators, but also on underlying factors which influence the member experience, including the frequency of reviews, the minimum service standards, in work support calls etc.

The performance expectations are very clear to all within the supply chain. Minimum service levels and key performance indicators are in place and understood and performance is shared across the supply chain on a daily basis. Partners lead on reporting their performance at Service Delivery Boards which confirms that they understand their position in terms of performance.

Supply Chain Partners on both the ESF Families Programme and the Work Programme confirmed that transparent management information is supplied daily, weekly and four weekly through a range of documents including the daily performance flash, a cumulative attachment summary, an executive key performance indicator summary, an operation pack etc. Most partners were very complimentary about the management information provided, describing it as '*brilliant*', '*comprehensive*', '*detailed and regular*', '*accurate*', '*professionally presented*' and as '*a powerful performance monitoring process*'. Some partners did however feel '*a little overwhelmed*' by the amount of data they were receiving.

Value for money is identified through economy, efficiency and effectiveness measures. A range of value for money activities were identified by partners during this assessment including:

- Honest monitoring of Specialist Interventions across the ESF Families Programme to ensure that the market price is realistic and fair;
- Efforts made regarding financial modelling;
- Geographical spread of providers cutting down on undue travel costs;
- Bulk printing;
- Mapping of service to ensure no duplication of delivery;
- Increasing use of teleconferencing;
- The Support Gateway provided to partners;
- Providing support on producing marketing materials and printing on behalf of providers to order in higher bulk and reduce contract costs, and;
- Alignment of performance to reward on a payment by results basis.

A standard distance travelled categorisation system is used across the Work Programme supply chain which allows for clear benchmarking across the whole programme. Members are tracked along an A to E journey into work and progression is discussed by the Commercial Manager and Supply Chain Partner at their monthly meeting. The progress of members on the ESF Families Programme is monitored through the agreed progress measures as per the contract.

3e) Promoting Diversity and Equality

When identifying potential Supply Chain Partners, Reed engaged with a diverse range of organisations with policies and approaches to supporting diversity and equality which aligned to their own commitment and culture. Charters are in place which explains Reed's approach to Diversity and Equality.

The qualitative scoring and assessment of organisations during the procurement stage ensured that, even prior to any negotiations, minimum requirements were in place. Visits undertaken to partners during the mobilisation phase took place to identify any potential risks and highlight any initial areas for improvement prior to commencing the contract.

Ongoing reviews of how proactive the partners are at promoting Diversity and Equality are carried out during the review and audit processes.

The Diversity and Equality data collected by each partner is reviewed during their monthly performance review meetings and the data collected across the supply chain is reviewed at Service Delivery Boards. For example, one Specialist Provider questioned why they had not received any referrals for their specific service and the data confirmed that only three members were currently on the Work Programme who may have requested their services, and they were being supported by meeting their requirements through alternative means – e.g. some Members bring family members as they feel far more comfortable in these circumstances.

4 Review

4a) Supply chain review

Reed has used a range of activities to gain feedback from its stakeholders. Teleconferences, on-line customer satisfaction questionnaires, focus groups, face-to-face discussions with Local Authorities, telephone surveys and the Service Delivery Boards were all given as examples. Supply Chain Partners confirmed that they '*have a voice*' and are '*constantly being canvassed for feedback / views*'. Feedback with stakeholders is received at both a strategic level as well as at an operational level. Feedback from successful and unsuccessful providers undertaking procurement activity highlighted the need to condense the EOI / tender process. Since then significant changes have been made reducing the time it takes to apply to join the Provider Network from anything up to two weeks to Reed now being able to give a response within 24 hours.

Survey monkey and telephone questionnaires have been used to enable stakeholders to feed into the Reed Self-Assessment Report. There is a good understanding across the supply chain of the importance of self-assessment and improvement plans and they believe that this is an ongoing process built into the ongoing review and audit processes introduced by Reed.

The Supply Chain Partners believe their activities and those of Reed are strategically aligned to supporting the wider objectives of the commissioner due to the approach they are taking to delivery of the Work Programme and the ESF Families Programme. For example the Supply Chain Partners delivering the Families Programme described the measures in place to support health and wellbeing issues, housing and parenting skills etc. Those delivering the Work Programme talked about how, for example, the funding of a Supply Skills Manager by Reed to work with Transport for London, and a Health Inclusion Manager to work with Disability Works UK greatly improves the opportunities for members to gain meaningful, long-term employment.

A range of mechanisms are in place to ensure that Supply Chain Partners are aware of and understand the wider policy and objectives of the commissioner. Partners talked about how:

- Service Delivery Boards have a standard agenda item to provide them with an update from DWP;
- Reed has encouraged the engagement of Supply Chain Partners with senior officials within DWP, including site visits from Lord Freud and Minister Grayling;
- Information / update emails are sent;
- Partners have been invited to join conference calls with the Minister to receive direct updates on the commissioner's views and objectives, and;
- Data and MI is aligned to wider 'national objectives' and supplied and discussed in that context.

Ongoing and frequent meetings occur between the Business Development team (who identify and engage with potential partners) and the Supply Chain Management team (who run the independent procurement process) to ensure that resources are aligned and to ensure the most suitable organisations are identified and invited to apply to join the Provider Network.

Stakeholders, including the sector skills councils, local authorities, colleges, national charities, London voluntary sector council and many other bodies are all engaged with, with the aim of ensuring the most appropriate organisations provide the necessary support services to members. As a result of this review process a small, very specialist end-to-end provider has been recently introduced to the supply chain to help meet the specific needs of one particular area / group of members.

The initial design of each supply chain was based on the needs of members, geographical analysis and provider coverage to ensure that a positive impact could be achieved in terms of the range and diversity of provision available to potential members. By engaging with Strategic Supply Chain Partners (Prince's Trust and Disability Works UK) information on issues such as the Youth Index, vacancies that might be of interest, current activities / support available through the NHS and the work of the GP consortia are all shared with the supply chain, enabling them to support their members in a holistic way.