



merlin standard

G4S Employment Support Services

COMPACT REPORT

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1. KEY INFORMATION

Assessment Type	ACCREDITATION REVIEW
Assessor's Decision	STANDARD MET
Anniversary Date	18/07/2022
Assessment Dates	02/07/2020 – 03/07/2020 & 06/07/2020
Lead Assessor's Name	SUSAN SMITH
Customer ID	C16826
Assessment Reference	PN104851

2. ASSESSMENT OUTCOME

OVERALL OUTCOME	89% EXCELLENT
1. Design	87% EXCELLENT
2. Procure	90% EXCELLENT
3. Contract	100% EXCELLENT
4. Funding	87% EXCELLENT
5. Develop	87% EXCELLENT
6. Performance Manage	89% EXCELLENT
7. Quality Assurance and Compliance	88% EXCELLENT
8. Review and Close	84% GOOD

3. METHODOLOGY

G4S Employment Support Services Ltd (hereafter known as G4S ESS) continues to be mandated by the Department for Work and Pensions (DWP) to be accredited against the Merlin Standard due to being a Prime delivery partner for the Work Programme. G4S ESS also has European Social Fund (ESF) contracts, and these are included in the scope of the Merlin assessment. Organisations that hold the Merlin Standard are required to be reaccredited every two years, and consequently, G4S ESS came forward for a reaccreditation review in line with the anniversary date.

The assessment team comprised of Susan Smith (Lead Assessor) and Neil Potentier (Team Assessor) supported by a coordinator from within G4S ESS. The Lead Assessor started to work with the coordinator in early 2020 to establish the scope and discuss the logistics of the assessment. The dates for the evidence gathering interviews were identified, and a plan of action agreed.

A booking form was submitted to Assessment Services Limited along with a spreadsheet indicating a full list of Supply Chain Partners - past, present and potential - delivering an end-to-end service or specialist intervention activity.

In advance of the reaccreditation review a survey was carried out of the Supply Chain Partners, with all 38 being invited to participate. Responses were received from 16 present and past Supply Chain Partners, which represented 42% of the total. The results of the survey informed the focus of interviews for the assessment team and contributed to the overall scoring.

The Lead Assessor was in regular contact with the coordinator before the evidence gathering activity to review the schedule and logistics. All documentation required for the assessment - Self- Assessment Questionnaire (SAQ), Pre-Assessment Notes (PAN) and interview schedule - were shared to enable the reaccreditation review to take place as planned.

The assessment team spent a total of two days each reviewing documentary evidence and undertaking interviews with G4S ESS staff involved in the strategic and day-to-day management of the supply chains. Some 37% of the Supply Chain Partners were interviewed in line with the published Merlin scoping framework. Interviews were conducted with present and past Supply Chain Partners across all contracts.

The following report provides an indication of the findings against key criteria within the Merlin Standard, which was evidenced across all the supply chains referenced below, as well as areas of strength and areas to consider for development over the forthcoming two years.

4. ABOUT THE ORGANISATION

G4S plc is one of the world's leading supply chain managers and is the largest integrated security and outsourcing company in the UK and Ireland, with a turnover of more than £1.7 billion and over 55,000 employees managed from over 100 offices. G4S ESS Ltd is a legal entity which is part of G4S Government and Outsourcing Ltd (GAOS).

Operating as Prime contractor since 2011, it currently delivers the end of three Work Programme (WP) contracts and five ESF14-20 contracts on behalf of DWP. It has previously delivered six Community Work Placement (CWP) contracts, the ESF Family Support Programme and Supervised Job Search Pilot.

G4S ESS operates a 100% Supply Chain Partners subcontracted delivery model, with services provided by a range of organisations, representing private, public and third sectors. The subcontracted delivery model enables the creation of diverse Supply Chains.

G4S ESS values are to act with integrity and respect, being passionate about safety, security and service excellence which will be achieved through innovation and teamwork. It has built a supply chain on this basis and continues to lead partnership bids for new opportunities.

5. AREAS OF SIGNIFICANT STRENGTH

A number of significant strengths were identified during the Assessment and these are described below. The numbers in brackets refer to the criteria of the Standard:

Supply chain design is a strength whereby G4S ESS is noted by many Supply Chain Partners as being proactive in working with smaller and “untested” organisations to create a diverse supply chain. This means that G4S ESS can access untapped customers in local communities in a way that is “hyper-local” and builds the capacity of many smaller organisations. (1.1)

Supply chains are regularly reviewed not only to meet the changing needs of customers and the commissioner but also the needs of the Supply Chain Partners. G4S ESS has offered its Work Programme Supply Chain Partners the opportunity of mutual termination in the latter stages of the contract to reduce their administrative burden and to indemnify the risk of extrapolation. This has enabled Supply Chain Partners to take a more viable option going forward. (1.6)

Transfer of Undertakings Protection of Employment (TUPE) has occurred between Supply Chain Partners since the last Merlin assessment. Of particular note was the level of support and expertise provided to Supply Chain Partners to enable them to affect a legally compliant and smooth transition for transferring staff members. G4S ESS was also supportive in assisting Supply Chain Partners to induct new staff effectively into the new organisations and role. (2.2)

Negotiations about funding and performance expectations are extensive, and Supply Chain Partners noted how flexible and understanding G4S ESS is when many have taken the first steps into the Payment By Results (PBR) contract world. This enables smaller and less experienced Supply Chain Partners to enter the market and more importantly provide essential services to customers that might otherwise not be available to them. (2.4)

Contracts are shared and clearly explained from the initial stages of receipt from the commissioner and any variations are discussed thoroughly. During Covid-19 lockdown, the potential risks within the DWP variations have been carefully explained such that Supply Chain Partners were clear about these and could make informed decisions. (3.1)

The development of systems, processes and policies to operate effectively is strongly supported. Supply Chain Partners reinforced that G4S ESS is proactive at providing support that helps them develop not only how they operate for the contract but also helps them to be more sustainable as organisations and gain new work in other ways. (5.1)

Relationships between all staff at G4S and their contacts within Supply Chain Partners are excellent and earmarked by an open and responsive approach. The culture of communications is open, honest and transparent. Both the Merlin online survey and the assessment interviews confirmed that all Supply Chain Partners have an incredibly positive relationship with G4S ESS with many stating this is their Prime of choice. (6.2)

Supply Chain Partners are all completely clear about performance expectations, and there are regular and supportive communications with G4S ESS staff about this. Business relationships are clear and positive for all parties. Performance is well managed, and the Balanced Score Card has provided a clearer and more visual focus on performance for Supply Chain Partners. In addition, its six component parts forge a link with quality. As a result, Supply Chain Partners are now seeing how improvements in quality can have an impact on improved performance. (3.2 / 6.3 / 7.1 / 7.2)

6. AREAS FOR DEVELOPMENT

A number of areas where further development would be beneficial were identified during the Assessment. These are for the Organisation to consider as a contribution to continuous improvement. The numbers in brackets refer to the criteria of the Standard:

There are two areas where the clarity given at the start of the relationship with Supply Chain Partners has waned during the life of the contracts. These are namely clarity about market share and clarity about management fees. Some Supply Chain Partners were not overly clear on these issues and felt it would be helpful to have these matters periodically refreshed. (2.3 / 4.3)

The Self-Assessment Reports (SAR) and Quality Improvement Plans (QIP) produced by Supply Chain Partners clearly feed into the overall G4S ESS SAR and QIP, and this is shared through the communications bulletin. There was less clarity from Supply Chain Partners about recalling having seen the G4S ESS SAR and QIP and what this meant for overall delivery performance and quality. It is suggested that the sharing of the overarching SAR and QIP might be undertaken in a more meaningful way that engages Supply Chain Partners more fully. (6.7)

Information, advice and guidance (IAG) provided by Supply Chain Partners to customers is quality assured through the 'Go, Look, See' audits. It may be helpful to consider the IAG against recognised standards or benchmarks for the quality delivery of IAG such as the National Occupational Standards for IAG or quality marks such as the **matrix** Standard. (7.3)

Whilst the Modern Slavery Act 2015 is contained in the due diligence and its annual refresh, G4S ESS may wish to consider including further awareness-raising with Supply Chain Partners. This may include additional training or sharing the results of recent cases such that Supply Chain Partners recognise the potential for Modern Slavery more overtly. (7.5)

7. FINDINGS

The feedback below is reported against key criteria of the Merlin Standard, aligned with the “Plan-Do-Review” business cycle.

PLAN
<p>Through planning an effective supply chain, the range of Partners and how they are engaged ensures there is a group of organisations that cover a diverse range of providers that all understand the requirements of the contract and their contributions to achieving the desired outcomes.</p>
<p>G4S ESS has clearly demonstrated that it has considered using a wide range of organisations in its 100% Supply Chain Partner delivery approach. Supply Chain Partners believe there is a variety of expertise within the supply chain. There are organisations of all legal structure types and sizes. A particular strength is the willingness of G4S ESS to work with very small Supply Chain Partners to give them the opportunity to enter the welfare to work market. One Supply Chain Partner commented that <i>“I think we have a more holistic supply chain now which is what is needed for this type of programme.”</i></p> <p>The supply chains are reviewed and developed to meet changing requirements. Regional staff teams meet regularly to analyse performance, operational trends, compliance and quality audit results, and best practice from within the supply chain. Emerging trends and areas for development are communicated to existing Supply Chain Partners via the review process or as part of regular supply chain meetings. New Supply Chain Partners have been engaged to work with differing customer groups. Supply Chain Partner comments were <i>“We are fully involved in the decisions about the design of the supply chain”</i> and <i>“We have evolved as a supply chain with G4S ESS help”</i>.</p> <p>G4S ESS has supported the transfer of staff via TUPE and uses the vast experience of the parent organisation G4S plc to understand and fully comply with all relevant TUPE legislation. G4S ESS contractually obliges all Supply Chain Partners to comply with all legal requirements, including Regulation 13 of the TUPE regulations and supports them in doing so. Cases of TUPE transfer in the last two years were found to have been well managed and staff transfers effectively supported. Supply Chain Partners confirmed that <i>“They offered us brilliant support throughout”</i> and <i>“We were able to meet all our obligations due to their help”</i>.</p> <p>Supply Chain Partners are managed across a variety of measures designed to ensure that they comply with the contractual requirements, maximise performance and ensure customers receive a high-quality service. The guide to Contract Assurance Management documents the process and frameworks for performance management. It includes targets, minimum service levels and operational requirements, and Performance Improvement Plans. The Performance Management framework can be found in the appendices of each contract. Performance is monitored daily, and reported on weekly, covering the whole of the supply chain. Reviews are undertaken on a weekly, monthly and quarterly basis.</p>

Additional governance and performance management within G4S ESS takes the form of a monthly Senior Management Team review that monitors financial and contractual performance.

Supply Chain Partners are paid for services predominantly on a PBR basis with terms varying depending on the type of contract. G4S ESS has used where appropriate, a sophisticated costing and forecasting tool to help the smaller Supply Chain Partners. This incorporates predicted payments which in turn help identify potential caseloads and the number of advisers needed. Contracts reflect the terms from the DWP and G4S ESS operates all financial arrangements with the supply chain on a self-billing basis. Payments to Supply Chain Partners are triggered by a successful claim and payment from DWP, thus minimising the risk of overpayment, or payment of invalid outcomes. This has helped to foster positive and sustainable relationships with Work Programme and ESF Supply Chain Partners. Where required, G4S ESS has flexed payment terms to support those who have escalated cash flow concerns. G4S ESS has effectively relayed DWP's Covid-19 relief offer. In addition, all Supply Chain Partners confirm they have been made aware of DWP's proposed move to a cost-based payment model, with all not being happy. This will result in G4S ESS making further representation to DWP on the merits of their proposals. An illustrative comment included *"They were very supportive in providing detailed data on payments we could expect. This allowed us to manage our cashflow."*

DO

Supply Chain Partners are supported to develop their services to meet or exceed expected performance and quality assurance requirements.

To support, develop and encourage Supply Chain Partners to fulfil their contractual obligations, there are detailed guides outlining contractual and evidence requirements for financial and milestone claims. These guides are reviewed and updated regularly to ensure any changes to Provider Guidance or areas of good practice are incorporated. From contract award, the Supply Chain Manager is the single point of contact and is the link to all other functions to ensure contractual obligations are met. Throughout the contract implementation phase, joint meetings are held in order to ensure awareness of contractual obligations and the key deliverables. These sessions facilitate open dialogue and concerns to be raised. They allow managers to have input on the development of contractual documentation and operating procedures. G4S ESS has taken a number of actions to help the smaller Supply Chain Partners deal with the complexities of government contracts. They have helped put an infrastructure in place so that Supply Chain Partners can survive effectively throughout the length of the contract and be in a better position to bid for future work. An illustrative quote from one Supply Chain Partner was *"They have helped us become more professional with quality"*.

Based on its values, G4S ESS has created effective relationships built on openness and transparency. Underpinning this are a number of policies which have helped to foster and embed an open and honest culture including an ethics code, business ethics and whistleblowing policies. This supports a culture of open and honest communication. Staff in all areas felt that their role is to support the supply chain and all Supply Chain Partners were in agreement with this. Supply Chain Partners comments included:

"G4S ESS – what I like about them is they appreciate our different approach and don't force us to be something we are not."

"Communications are supportive, open and honest."

"They have been so helpful and supportive; I would definitely want to work with them again."

"They are always consistent."

"Excellent, open, honest two-way dialogue."

"All their staff are absolutely loveable. Nothing is too much for them."

There are open and transparent relationships built between Supply Chain Partners and G4S ESS staff which support clear discussions aimed at improving service delivery. As detailed in the appendices of the contract and in the Contract Assurance Management guide, performance reviews take place on a weekly, monthly and quarterly basis. At the weekly review, Supply Chain Managers are responsible for reviewing forecasts and performance against targets with Supply Chain Partners. They discuss concerns and agree support where issues are raised. The weekly reviews are also a platform for innovative service improvements to be discussed. Monthly reviews take place to review performance, contract compliance and quality assurance levels achieved within the month. The quarterly reviews are a more in-depth review of targets using a Balanced Score Card. This Red Amber Green rated process drives an agenda which looks at six components; starts, short outcomes, sustained starts, compliance, quality and job starts. The aim of reviews is for each Supply Chain Partner to achieve reasonable performance (85% in each category).

If not, Supply Chain Partners can enter the Performance Improvement Plans process at anyone of its four stages. The Balanced Score Card integrates performance with quality and compliance, and this is allowing Supply Chain Partners to see a much stronger link between improving quality so that it has a positive impact on performance. All Supply Chain Partners welcomed the introduction of the visual Balanced Score Card and are very complimentary regarding its value. All say it is providing a much greater focus on what needs to be done to improve performance. To support best practice and innovation, G4S ESS facilitates regular best practice sessions and supply chain meetings across all areas. Comments from Supply Chain Partners included:

"It has helped us close the loop through linking service improvements with performance."

"It provides a great visual focus on what we need to do."

"It is a significant driver of improvement."

"The Balanced Score Card has condensed things into one place."

"Performance reviews are no longer not just about performance."

"Our performance is their performance."

All Supply Chain Partners continue to use the iSET Management Information (MI) system which is a workflow tool that guides its users through the customer journey, enabling accurate tracking. All fields are reportable, with in-built validation to ensure accuracy; the system does not accept incorrect or incomplete data. MI reports are produced using this data to forecast performance and identify peaks and troughs in caseload sizes. These enable delivery teams in Supply Chain Partners to clearly understand where a customer is in their journey as well as being able to identify and effectively manage any areas of under/over performance. At the Merlin assessment in 2018, the system was seen as not particularly user-friendly and intuitive by Supply Chain Partners who were not getting the best out of the system. As a result, there has been a strong focus on training and coaching from G4S ESS staff in order to maximise its potential. As a result, Supply Chain Partners are now able to capture accurate customer journeys which include finite milestones along the way. For example, the use of a 'Better-Off' payment calculator for candidates is recorded. Supply Chain Partner staff are now also finding iSET easier to populate through the drop-boxes and some staff have also undertaken some of the training components on iSET such as 'Being a Work Coach'. Comments included *"It stores what we need it to, and it is now more user-friendly"* and *"It now captures customer journeys better and records significant milestones."* Supply Chain Partners commented that iSET provides *"A quick response on evidence suitability"* and *"The reports make us feel a security that we are managing the extrapolation risk"*.

The G4S ESS Quality Management Framework contains a calendar of quality activities which are consistently applied across all Supply Chain Partners. These are monitored and reviewed monthly and quarterly with all improvement activities captured in the Supply Chain Partner's quality improvement plans. There is an Audit, Compliance and Quality framework and this has integrated the previous three strands into one composite approach. Compliance and quality are also two of the six components of the Balanced Score Card. Compliance is seen as 'what must be done' with quality seen as 'what does good look like'. Scores are given for compliance and quality at reviews with the aim of Supply Chain Partners achieving the 85% (reasonable) target. Identified improvements are listed in a Service Improvement Plan.

Some Supply Chain Partners, particularly the smaller ones, have also been encouraged to develop their own internal Quality Frameworks with help from G4S ESS, who have given guidance in sample sizes and frequency. Activities include observations in the Go, Look, See audits, file checks and advisor/manager interviews. Key themes are identified and fed into quarterly Supply Chain Partner best practice workshops which are facilitated to share and embed best practice across the contracts. Both G4S ESS and Supply Chain Partners seek and share customer feedback pertaining to their experiences on programme. There is a robust complaints policy in place which is mirrored by Supply Chain Partners should any customer wish to raise a concern. Supply Chain Partner views included:

"The monthly quality and compliance activities are done in a supportive way."

"With help to improve our quality processes, we achieved 100% quality and performance rating last month, which we are very pleased with."

"We use the G4S ESS checklist to ensure consistency amongst our Advisers and this works really well."

REVIEW

Review and evaluation is used to demonstrate the impact of the services delivered and continuously improve service delivery.

G4S ESS is fully integrated, along with the supply chain, in various strategic relationships and partnerships, where the wider social impact of services is assessed. G4S ESS and its supply chain for the Work Programme and ESF1420 has achieved in excess of 96,000 job starts with over 48,000 customers sustaining in employment for at least 13 weeks. All of these individual customers helped have a significant impact on the individual, their family and friends, the wider community and immediate support network. Over 24,000 of these jobs were delivered to customers aged 18-24 on which are a priority group both in terms of the contracts and the wider government agenda and there have been special initiatives implemented across supply chains to support this - for example customer route-way events when large employers are recruiting. Additionally, in excess of 4800 of the jobs were undertaken by customers with long-term health conditions which are often debilitating. There have been special initiatives implemented across supply chains to support this - for example customer route-way events when large employers are recruiting. Additional support is provided for these customers in terms of wider health and wellbeing concerns. Supply Chain Partners were able to discuss impact in terms of reducing offending, improving social skills, reducing poverty, reducing worklessness, and facilitating independence. One Supply Chain Partner reported reducing re-offending in their locality by twice the national average.

DWP's priorities relate to the wider social objectives of providing security, extending opportunity, and giving people the support that they need to transform their lives. The G4S ESS supply chain has continued to support long-term unemployed people, many of whom have disabilities and health conditions, to secure financial independence through employment. Additionally, families are supported that have had a relationship breakdown and help is provided for effective child maintenance arrangements, thus reducing the numbers of children living in poverty. G4S ESS and its Supply Chain Partners regularly produce and share good news stories and case studies. These include customer successes as a result of retraining, confidence building, health condition management, financial and personal management.

8. CONCLUSION AND CONDITIONS OF ACCREDITATION

In conclusion, this Assessment provided the opportunity to review the practices of G4S ESS for the current contracts against the Merlin Standard. The senior leadership team should be mindful that any significant organisational or senior staff changes, and / or being awarded additional contracts using a significantly different supply chain may require a strategic review. Similarly, any decisions reached by the Independent Complaints Examiner may also result in a strategic review being required to ensure the Organisation continues to operate in line with the Merlin principles.

Holders of the Merlin Standard Accreditation must:

- Maintain and continually improve upon their approach to Supply Chain Management.
- Cooperate with annual Reviews as required by Assessment Services Ltd
- Inform Assessment Services Ltd (merlin@assessmentsservices.com) or their Lead Assessor if the key contact name or contact details change.
- Inform Assessment Services Ltd of any significant changes made to the organisational structure, senior management or systems that may impact on their accreditation; email: (merlin@assessmentsservices.com)
- Inform Assessment Services Ltd immediately if they gain additional contracts.
- Inform Assessment Services Ltd of any serious complaint or rise in numbers of complaints received from Supply Chain Partners.
- Not undertake or omit to undertake any activity that may be misleading and/or may cause Assessment Services Ltd and/or the Merlin Standard to be brought into disrepute.
- Only use the Merlin Standard Quality Mark for the areas within the scope of the accreditation and in accordance with the guidelines.
- Ensure in cases where accreditation is withdrawn or where they do not come forward for Accreditation Review, remove from display any certificates or plaques issued by Assessment Services Ltd and do not display the Merlin Standard Quality Mark, nor refer to being a former holder of the Merlin Standard.
- Be aware that Assessment Services Ltd reserves the right to remove any accreditation and/or certification previously applied if payment is not received for services provided.
- Submit their Booking Form for reaccreditation to the Merlin Standard at least 4 months prior to the accreditation anniversary date ensuring all pre on-site activity is completed in a timely way including planning, payment, completion of the Self-Assessment Questionnaire (SAQ), Pre-Assessment Notes (PAN) and interview scheduling. Accreditation Reviews are due 2 years from the anniversary accreditation date; it is expected that organisations will be assessed by this date or will risk being de-accredited.

	
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