**[2.12.1] Supply Chain**

Please describe your supply chain structure and how you will manage it throughout the life of the contract.

Your response should include:

- A clear description of your supply chain structure including any subcontractors and partners
- A table to show the percentage of service delivery undertaken by any subcontractors, their geographical coverage and what provision they will provide to support the specified priority groups
- A clear explanation of your contract management practices with members of your supply chain, including how these abide by the principles of the Merlin Standard
- A description of how you will communicate throughout your supply chain to share good practice
- Details of your contingency arrangements should any member of your supply chain withdraw prior to commencement of service delivery or at any point during the contract period
- A completed Subcontractor Declaration from all subcontractors listed in your response to this question
- Where applicable, you should identify which subcontractors are Small Medium Enterprises (SMEs) - **PLEASE NOTE THAT THIS BULLET POINT ONLY WILL NOT BE SCORED**

**Insert your response in the pre-set, shaded space on the following pages. Your response MUST be limited to 3 sides of A4.**

**PLEASE NOTE THE SCORE ATTAINED IN THIS SECTION MAY ALSO BE USED IN A TIE-BREAK SITUATION WHERE APPROPRIATE.**

**1. Supply chain structure:** The Local Delivery Partnership is a Managing Agent model with all frontline delivery being provided by a supply chain of 2 local councils, and 3 VCS/SME providers. This model has been proven to be successful as it allows each organisation to focus on what they are good at – engaging with disadvantaged groups, stakeholders and employers to achieve sustained jobs, e.g.

- REDACTED Council's REDACTED programme for JSA/UC/IS engaged with REDACTED people, securing full time employment for REDACTED.
- REDACTED ESF Families programme had REDACTED attachments, moving REDACTED people into work with REDACTED sustained job outcomes.

Our subcontractors' end-to-end provision is underpinned by G4S's experienced contract management team which provides: robust systems and processes; enhanced performance and quality frameworks; additional layers of audit, compliance and validation; training, consultancy and risk management, all of which support and capacity build subcontractors, driving higher quality provision through expert performance management.

**2. Allocation of service delivery**

| Subcontractor & coverage | % | Specialism |
|---|---|---|
| REDACTED | R | Young people (16-35) including care leavers, ex-armed forces, those with mental and physical health issues, lone parents and carers. Offers business mentoring and provides childcare. Great local employer links. |
| REDACTED | R | Long term unemployed, ethnic minorities, ex-offenders, ESA groups, low skilled, over 50s, those with mental health issues. Offers self-employment options. |
| REDACTED **Council** | R | Long term unemployed, ethnic minorities, ex-offenders, care leavers, ESA groups, low skilled, over 50s, those with mental health issues, no or low qualifications, ex-service personnel. Integrated with local health economy. |
| REDACTED | R | NEETs, 50+, lone parents, ex-offenders, people with disabilities, people with financial difficulties, people suffering from substance misuse problems, people who have experienced educational failure. Apprenticeships. |
| REDACTED **Council** | R | ESA, lone parents, those with low confidence and/or low skills, long term unemployed, care leavers. |

**3. Contract Management Practices:** Supply chain management is one of G4S's core capabilities. We were awarded a rating of '*Excellent'* in our recent Merlin review (2014). Strengths identified by Merlin include: *"Organisations new to the supply chain expressed how clear, open and transparent the procurement process had been";* and *"Communication is perceived to be open and honest and interactions supportive and positive across the network".* **Evidence:** *"As a subcontractor to G4S we were truly made to feel that we were on a journey together…as a local charity we valued the direction, support and expertise G4S were able to share…"* – REDACTED (a small charity working with ethnic minorities). We will apply our supply chain management practices, aligned to the four **CORE PRINCIPLES** of the Merlin Standard as follows:

**i) DESIGN:** We attended the ESF event to meet potential partners and REDACTED**,** G4S's Partnership Manager, has actively sought out third sector and small local organisations to join our network, and has contacted local councils who

recommended suppliers such as REDACTED and REDACTED. Subsequent stakeholder discussions with REDACTED Council led to their expression of interest in working with us**.** We received REDACTED EOIs, scored and moderated by REDACTED and REDACTED team against ESF criteria and job outcome success. We held interviews where potential providers could raise concerns about e.g. Payment by Results, cash flow/costing, sourcing referrals, and contracts. *Examples* of our previous responses include providing a costing tool, which was introduced via a REDACTED seminar with G4S's Finance Director; and our Commercial Lead provided 1-1 advice on contractual terms.

**ii) COMMITMENT:** G4S has seven core values which guide how we govern and manage our supply chains: Performance, Integrity, Collaboration, Expertise, Best People, Safety First and Customer Focus. We appoint a dedicated Performance Manager (PM), who holds the day-to-day working relationship with subcontractors. The PM is constantly in contact, carrying out weekly, monthly and quarterly performance reviews, and undertaking monitoring including e.g. formal practice observations in line with our Performance Management Framework. Subcontractors actively contribute to our robust continuous improvement process e.g. REDACTED Employer Engagement Task Force is G4S-facilitated and led by subcontractors to share vacancies, develop materials to promote a collaborative employer offer, and share best practice and vacancies with JCP. ***Develop:*** We deliver quality and training workshops, individual management consultancy, capacity building. *Evidence:* REDACTED , a G4S CWP subcontractor, was a new entrant to the W2W PbR market. We supported them to forecast and plan, resulting in high achievement rates. When a CWP subcontractor withdrew, we supported REDACTED to expand into a new CPA. Merlin Assessment Report 2014 states: "*a number of smaller third sector partners described how they believe they have evolved and have learnt from working with larger, more business-focused partners, and this has in turn helped them to evolve and become more 'corporate' and 'professional'".* ***Contracting and Funding:*** We offer favourable arrangements to smaller providers, including flexible payment terms, only flowing down necessary contract clauses e.g. to support cash-flow for many of our CWP providers in the early stages of the contract we moved REDACTED subcontractors onto REDACTED day payment terms.

**iii) CONDUCT:** ***Integrity:*** e.g. we provide full and honest feedback to unsuccessful EOI applicants to help build their capacity and competitiveness, such as REDACTED who weren't able to deliver the full service requirement but who are happy to work with us as a referral partner. ***Quality and Compliance:*** The G4S Training and Quality Manager owns the Quality Management Framework and works with subcontractors to increase quality. G4S's Compliance Manager and Validator complete checks of the provision to ensure the programme is meeting contractual requirements, and support subcontractors to make compliant claims. *Evidence:* increased quality activity with ESA customers in WP CPA18 saw an increase from REDACTED in the latest CMO score. ***Honouring Commitments:*** e.g. G4S was the only WP bidder to take all of its named subcontractors into delivery – we commit to doing this for this programme. ***Performance:*** The PM owns the Performance Management Framework which sets clear and realistic targets to achieve contractual performance, formal and informal review of performance against set targets and the performance improvement planning process. It is a support mechanism, enabling us together to identify activities and resources for performance improvement. G4S's approach to performance management has been described as 'firm but fair' in verbal feedback received by Merlin. ***Equality & Diversity:*** we ensure that subcontractors

and their staff represent local communities and participant groups. Due diligence ensures subcontractors have active, annually reviewed E&D policies and processes. We also offer access to G4S's E&D training where necessary.

**iv) REVIEW:** our robust continuous improvement process ensure that everyone contributes to reviews of performance, via e.g. questionnaires, focus groups, customer surveys. Subcontractors complete an annual Self-Assessment Review which includes feedback on G4S's performance. Our national Business Improvement Group is a centre of expertise which meets monthly to review and share learning across all our contracts. *Evidence:* from small training providers: *"the additional support we gained from G4S internal Quality Team was second to none"* REDACTED . *"We received help with quality, delivery, audit and compliance and anything else needed throughout the pilot and feel a valued partner of G4S"* – REDACTED.

**4. Communicating throughout the supply chain to share good practice** G4S's TQM, REDACTED, will adopt a collaborative approach to driving continuous improvement, leading a 'Supply Chain Active learning Network' (SCAN) to ensure that 'know-how' is communicated across the supply chain. We will also:

- Promote transparency e.g. monthly tables with quality and performance metrics
- Monitor national research, local MI data and participant and stakeholder feedback to identify and then disseminate aspects of good practice
- Recruit a best practice 'champion' in each subcontractor to work together to promote further collaboration during (and after) the ESF programme
- Hold quarterly Service Improvement Forums where subcontractors are invited to share 'what works'. ***Evidence:*** Sustainment rates in CPA18 WP delivery increased by REDACTED% of in-month MPL achievement in the 6 months following a best practice forum on in-work support, which focused on frequency and effectiveness of contact.
- The TQM will develop bespoke staff training programmes to respond to needs identified through e.g. observations, audits, trend analysis of complaints/ feedback
- Provide bi-month newsletters which contain Good News Stories, enabling subcontractors to showcase and share evidence of good practice.

**5. Contingency arrangements:** If a subcontractor withdraws before go-live, we will mobilise our contingency plan, which includes:

- In REDACTED we have REDACTED reserve organisations that can be called upon to deliver this programme: REDACTED. We can allocate G4S resource e.g. HR and Finance to help the new subcontractor to model finances and rapidly recruit staff.
- Increase volumes allocated to existing supply chain members who have additional capacity e.g. REDACTED could take an extra REDACTED referrals, REDACTED Council REDACTED, REDACTED Council REDACTED and REDACTED REDACTED.
- Issue a second EOI request as there may be readied providers who were in a competitor's supply chain that could quickly fill the gap.

Once delivery commences we will review and refresh contingency arrangements as part of our monthly risk review process. If a subcontractor withdraws we will:

- Identify other high performing existing providers with similar expertise
- Issue a call for subcontractors and use local knowledge to refresh our supplier list
- Capacity-build existing subcontractors into new areas or increase their volumes
- G4S has the resources, capacity and capability to directly deliver services if required to ensure there is no hiatus in delivery.

**6. Completed subcontractor declarations:** are uploaded at 2.12.2.
**7. SMEs:** REDACTED of our supply chain delivery is by SMEs REDACTED and REDACTED).