

## Merlin Standard Advisory Board Minutes for 21 May 2014

### Attendees:

Matt Thurstan (MT)	DWP
Chris Higgs (CH)	DWP
Jane Malbasa (JM)	DWP
Peter Thornber (PT)	DWP
Michael O'Toole (MO'T)	Cabinet Office
Steve Swan (SS)	Tomorrow's People
Kirsty McHugh (KM)	ERSA
Kelly Ventress (KV)	Compact Voice
Paul Warner (PWa)	AELP
Ramzi Suleiman (RS)	NCVO
Patrick Widdowson (PWi)	Ingeus
Paul Bridle (PB)	emqc Ltd
Ruth Regan (RR)	emqc Ltd
Monya Ladipo (ML)	DWP (Note)

### Apologies:

Barry Clarke (BC)	DWP
Berni Mudie (BM)	DWP
Terry Davis (TD)	Bradford Council
Louise Capel-Cure (LCC)	Ingeus (represented by PWi)
Alex Massey (AM)	ACEVO
Oliver Henman (OH)	NCVO (represented by RS)
Huw Davies (HD)	BASE

## 1. Welcome and Introductions

- 1.1 MT welcomed members and introduced himself as the DWP Director for Contracted Employment Provision with responsibility for Merlin; and the new chair of the Merlin Advisory Board. His key message was that Merlin is very important to DWP and critical for commitment to the Compact. DWP values the contribution of MAB members and will continue to consult them before decisions are taken. This was followed by introductions.

## 2. Minutes of Previous Meeting

- 2.1 The minutes of the last meeting on 21 January 2014 had been accepted by e-mail.

### 3. Action Points

- 3.1 **Action Point 04/Sep 13:** Provide further information on the process to be followed when a prime fails to meet its contractual obligation to achieve accreditation.

**Cleared:** This is a material breach and would allow DWP to exercise its contractual rights to terminate. DWP would decide whether default is capable of remedy and may agree a period to allow provider to remedy the breach.

- 3.2 **Action Point 1/Jan 14:** Arrange 'Thank you' card on behalf of the board for Janette Faherty.

**Cleared:** Card sent to Janette.

- 3.3 **Action Point 2/Jan 14:** Give update on complaint at May 2014 MAB meeting.

**Cleared:** See section 5 below.

- 3.4 **Action Point 3/Jan 14:** Supply RR with Merlin contacts in stakeholder organisations.

**Cleared:** emqc has updated its stakeholder distribution list.

- 3.5 **Action Point 4/Jan 14:** emqc & Cabinet Office to liaise over Merlin publicity.

**Cleared:** This is ongoing.

- 3.6 **Action Point 5/Jan 14:** MAB members to send comments on proposals for Merlin Review to DWP.

**Cleared:** Comments being taken into account.

- 3.7 **Action Point 6/Jan 14:** Send note to MAB members to ask whether the whole MAB forming the Steering Committee or a Task and Finish Group drawn from the MAB plus others, is preferred.

**Cleared:** Note sent and MAB comments received.

- 3.8 **Action Point 7/Jan 14:** Send any comments on Merlin Awards options paper to DWP.

**Cleared:** Comments being looked at along with other considerations.

- 3.9 **Action Point 8/Jan 14:** Reflect on MAB membership recommendations and send any comments to DWP.

**Cleared:** MAB input was considered in the choice of new members.

- 3.10 **Action Point 9/Jan 14:** Issue further membership invitations as agreed.

**Cleared:** All invitations issues and accepted.

#### **4. DWP Update – Chris Higgs**

- 4.1 CH informed members that preparations for the Merlin Standard Review were progressing with much of the work taking place behind the scenes. The Review is being kept aligned with the DWP Commissioning Strategy currently being updated, and is on course for completion by the end of the year.
- 4.2 CH also reported on the continued broadening of Merlin to cover other DWP programmes. The Community Work Placements contract winners all have Merlin accreditation through the Work Programme or ESF, but it is expected that more subcontractors would benefit as some providers expand the supply chains to deliver the new provision.
- 4.3 Merlin will also be mandatory for prime providers for ‘Additional Providers to deliver Medical Service Assessments’, a Health and Disability sector programme.
- 4.4 The Work Programme providers are completing their first cycle of Merlin accreditation and reassessments are underway. ESF reassessments will follow around the end of the year.
- 4.5 In response to KM enquiry about the timescale and Terms of Reference for the review, JM advised that our social researcher had prepared broad proposals, recommending that the survey is outsourced but overseen by a DWP analyst. SS suggested that ToR for the Review should be placed on the Merlin website when developed, with an interim update note in the meantime.

**Action Point 1: JM to provide an interim update note to be published on the Merlin website, pending development and publication of the Terms of Reference for the Merlin Review.**

- 4.6 KM wanted to know how adherence to Merlin was being examined for second assessments where the prime had a mix of old and new contracts at different stages, e.g. a Work Programme and a new Community Work Placement contract. RR reassured the meeting that assessors will look at all contracts but the emphasis would differ as providers with older contracts will be expected to show more evidence for the ‘Review’ Principle while greater focus will be placed on ‘Supply Chain Design’ for newer ones.

- 4.7 RR advised that to ensure WP primes understood the breadth of assessments, emqc held a webinar to discuss the structure, scope and expectations of WP reassessments. emqc includes the wider supply chain, but will ensure the commissioner, DWP's requirements are met.

## **5 emqc update – David Bridle and Ruth Regan**

- 5.1 DB started with developments with the ongoing complaint. emqc has conducted a strategic review assessment to evaluate the complaint, and concluded that a full re-assessment will be required within the next 6 months. In response to PWA, DR added that emqc processes have been reviewed and revised to ensure the issue highlighted does not recur.

### **Action Point 2: DR to provide further update on complaint.**

- 5.2 PT advised that DWP refreshes provider lists regularly and offered to arrange verification of SCP schedules submitted to emqc.
- 5.3 RR explained that strategic reviews were introduced as a short, sharp analysis of evidence gathered from subcontractors to reassure emqc that the integrity of the standard is being maintained. It had been applied with mergers where one of the organisations is accredited but the merged entity's structure had materially changed. If the SR is successful, a full review will not be due until the end of the 2-year Merlin cycle of the accredited party. If unsuccessful, the merged entity will be given 6 months to prepare for a full assessment, during which emqc will support the prime and give feedback.

### **Action Point 3: RR to submit SCP schedules supplied by primes to DWP for confirmation that all subcontractors included.**

- 5.4 RR confirmed that as long as a prime's contract including Merlin accreditation is still in place, bi-annual assessment remains mandatory, even if either party has indicated that the relationship is to be terminated at a future date. Where accreditation is no longer mandatory, the organisation may decide to maintain accreditation and continue to apply the Merlin Standard to demonstrate robust supply chain management and to help build good business relationships.
- 5.5 Two webinars held for organisations new to Merlin were successful. Some DWP prime providers for which Merlin is not mandatory attended, of which 2 have requested and been sent quotes for assessment.
- 5.6 RR provided a schedule of 2014 assessments showing that all Work Programme primes had booked for between April - July 2014 and those reassessed so far had improved scores. RR reported that initial conclusion is that WP primes have understood and embraced Merlin, with evidence of improved processes and existence of stronger

relationships. emqc will provide an updated version of the spreadsheet containing the full results for WP reassessments by September 2014. A question was raised as to DWP's view and approach in the event of a lower score being achieved at reassessment; CH said this was something to be pushed hard as an aspect of performance management.

**Action Point 4: DWP performance management to respond.**

**Action Point 5: RR to provide an updated assessments schedule in September 2014.**

- 5.7 There has also been continued interest and growth in organisations coming forward for voluntary accreditation, such as from Information, Advice and Guidance (IAG), Education, and Learning and Skills sectors. JM commented that it was encouraging to see the increase in volume this year and expansion into other areas through voluntary assessments, as well as improvement in the Work Programme assessment outcomes. Members agreed that the benefits of Merlin for performance need to be promoted.

**Action Point 6: ML to forward emqc's assessment report to MAB members.**

- 5.8 The Merlin website has been refreshed and made more user-friendly, and the Merlin Twitter Account is beginning to attract followers, with a recent assessment booking coming through Twitter.

## **6 Other updates**

- 6.1 MO'T advised that he's leading Cabinet Office activity to stimulate cross-Government cooperation. A key aspect of this is work with the SME Champions Forum to inform supplier strategy design, including in relation to payments.
- 6.2 The aim will be to understand and share different Departments' approaches to form an opinion on best practice, ultimately to achieve efficiencies and reduce the bureaucratic burden on SME's/supply chains through greater synergy across Government. This will be taken forward at a future Champions meeting where MO'T will discuss the role of Merlin. MAB expressed an interest in this work and MO'T offered to provide a summary. PB requested that emqc would like to be part of presentations to other Departments, where Merlin was included.

**Action Point 7: MO'T to report on discussion with SME Champions regarding cross-Departmental cooperation in supply chain management, and Merlin.**

## **7 The New MAB Structure – Jane Malbasa**

- 7.1 Following 2 years of operation and at the request of the MAB, JM undertook a membership review, taking account of delivery of objectives, developments, and future priorities; and progressed several agreed changes to refresh and strengthen the capacity of the Board to deliver its' objectives. New members have been introduced with the aims of: re-establishing links with the Compact; engaging Commercial specialists; strengthening the VCSE voice; and ensuring representation of new and potential growth sectors at industry and commissioner level.
- 7.2 To manage this significant change new members are being introduced over two meetings. DWP has been meeting with new representatives, providing induction briefing, identifying their areas of interest and influence, and inviting them to lead on agenda items. The changes are expected to be completed by the September 2014 meeting. MO'T commended the approach taken and this was endorsed by other MAB members.

## **8 Perspectives on the Merlin Journey, Challenges, and Board Membership – Steve Swan**

- 8.1 SS has been involved with Merlin from the outset and traced the Merlin story from its beginnings in 2008 to 2011 when the MAB was set up following a 2-year period of development and pilots, and the launch in 2012. The board promotes transparency, honesty, meeting commitments, and fairness by both primes and subcontractors, with penalties for non-compliance including withdrawal of business.
- 8.2 SS commented that the difference between the first and second WP reassessments would be useful as Merlin is to encourage excellence. Merlin assessments needed to include examination of the quality of information primes have, their invoicing and payment process, as delays are a serious concern. RR confirmed that assessments do examine the process, picking up late payments.
- 8.3 A key challenge is to make Merlin the supply chain benchmark across Government and there is a need to take feedback from OGDs to make Merlin more attractive to them. SS reminded members of the importance of the message that Merlin 'is not a silver bullet'. He commented that it remains not widely understood what Merlin is and is not, and that every opportunity should be taken to communicate this.
- 8.4 SS emphasised the importance now of 'selling the benefits' – a recurring theme of the meeting - and articulating its value to the market. PB commented that following completion of the 2-yearly cycle of assessments and reassessments we are now in a stronger position to do this.

- 8.5 CH reminded that Merlin was primarily developed for DWP contracts where there remains considerable scope for growth; its value to DWP contracts should not be under-estimated when assessing its success.
- 8.6 MO'T commented that each OGD using slightly different approaches incurs a cost in terms of efficiency. Merlin should use growing evidence to demonstrate from a commercial perspective that it is not just about accreditation - it saves money, delivers efficiencies, and drives performance improvements, supported by subcontractors stating why it enables them to deliver better. PWi added that improvements in WP reassessments would help promote Merlin by demonstrating the value of applying its Principles. RR added that Merlin is encouraging improvements as some small organisations requesting assessment are developing their supply chain management processes around the Standard.

**Action Point 8: DWP and emqc develop data/messages on the benefits, drawn from WP and ESF re-assessments, to be incorporated into the Communications Strategy and marketing plans.**

- 8.7 SS would like DWP to mandate the use of the EOI for subcontracting to reduce tendering costs of small organisations, and RS concurred that this would be appreciated by small organisations. KM added that even though the EOI was developed by employment related service providers, experience has shown that organisations will only use the EOI if Commissioners made it a requirement.
- 8.8 SS reminded that MAB members need to personally attend meetings on a regular basis, and be critical friends, and as long as it is with positive intent, Merlin will achieve its objectives. He ended with he has enjoyed being part of Merlin.

## **9 Learning and Skills sector – ‘Disguised’ Supply Chains, the case for & against Merlin, and ways forward – Paul Warner**

- 9.1 PWa, the Director of Employment and Skills at AELP is a new member joining as part of the broadening of the MAB to include other sectors. AELP has over 670 members, including organisations providing apprenticeships, traineeships, and youth provision.
- 9.2 He explained the complexities of Learning and Skills sector funding through two funding organisations - the Education Funding Agency (DfE) and the Skills Funding Agency (BIS); the sometimes ‘hidden’ and uncharted supply chains; the status of supply chain management for each; and in this scenario an assessment of the possibilities for Merlin.
- 9.3 PWi commented that Ingeus has applied Merlin learning from the Work Programme to other contracts within DWP and other Departments, including its new Skills contract. The Board found the Ingeus

experience encouraging and JM pointed out that there were also opportunities to promote the benefits of voluntary Merlin accreditation directly to EFA and SFA primes.

- 9.4 The emerging conclusion was that whilst EFA has adopted the Merlin Standard for the Youth Contract, there is unlikely to be a major structural opportunity for Merlin in EFA or BIS contracts in the near future, however there may be opportunities to engage Education, and Learning and Skills providers on a voluntary basis – as demonstrated by Merlin/IAG growth - where there organisations have interest in expanding into the ERSS sector, or see business benefits. The work discussed earlier on ‘selling the benefits’ (see Action Point 8) will support marketing activity with the sector.

## **10 The National Compact Awards: An opportunity to recognise Merlin impact & inspire new audiences - Kelly Ventress**

- 10.1 KV explained that Merlin was based on the Principles of the Compact, which was established by the Government to ensure an equal and fair society, protecting voluntary sector independence and the right to campaign. Every Government Department is signed up to the Compact. The Merlin Standard compliments and supports the Compact.
- 10.2 The Compact organises annual national awards, which provides an opportunity to recognise Merlin initiatives that have had a positive impact on Compact Principles. The awards are organised in 6 categories:
- Advancing Equality
  - Engagement
  - Impact
  - Innovation
  - Leadership
  - Local Compact Partnership

Nominations open on 27 June this year and the awards ceremony will be held in November.

- 10.3 KM suggested that the principles of Merlin and the Compact should be examined and any organisation that has done something very well could be nominated. SS suggested that a prime could be put forward if with achieving accreditation, they have made a positive impact on their communities. KM said that Merlin-inspired nominations should be actively encouraged, and that a Merlin representative could be part of the judging panel.
- 10.4 JM felt this is an opportunity to positively promote Merlin as good practice and a means of delivering Compact commitments, and urged members to identify suitable nominations. A number of potential nominations were suggested and discussed. RR will be asking emqc

lead assessors to consider nominees and will also seek nominations through the Merlin Website. She accepted KV's offer to give a Compact presentation to lead assessors.

**Action Point 9: DWP & emqc develop a timeline for identifying, developing, and submitting Merlin-inspired nominations to the National Compact Awards.**

**Action Point 10: MAB members to consider and submit suggestions for Merlin nominations.**

**Action Point 11: RR to seek nominations from Merlin lead assessors.**

**Action Point 12: RR to request nominations through the Merlin website with links to the National Compact Awards site.**

**Action Point 13: RR/VR to arrange Compact presentation for Merlin lead assessors.**

**Action Point 14: KM liaise with JM re- Merlin representation on the judging panel.**

## **11 Any Other Business**

- 11.1 PB requested MAB members to encourage those who want to learn more about Merlin to register for the emqc webinars and that specific webinars could be put together for groups.

**Action Point 15: RR to send webinar links to MAB members.**

- 11.2 CH thanked members for a good meeting and closed the meeting.

*The next meeting of the Merlin Standard Advisory Board will be at 11:00 – 13:30 on Wednesday 17 September 2014, in room LG1 Caxton House.*