

Merlin Standard Advisory Board Minutes for 17 September 2014

Attendees:

Matt Thurstan (MT)	DWP
John Michalski (JMi)	DWP
Barry Clarke (BC)	DWP
Jane Malbasa (JMa)	DWP
Berni Mudie (BM)	DWP
Dan Ramsey (DR)	DWP
Michael O'Toole (MO'T)	Cabinet Office
Kirsty McHugh (KM)	ERSA
Terry Davis (TD)	Bradford Council
Kelly Ventress (KV)	Compact Voice
Paul Warner (PW)	AELP
Ruth Driscoll (RD)	NCVO
Louise Capel-Cure (LCC)	Ingeus
Rosie Olliver (RO)	ACEVO
Huw Davies (HD)	BASE
Nikki Vokes (NV)	SNCBC
Paul Bridle (PB)	emqc Ltd
Ruth Regan (RR)	emqc Ltd
Monya Ladipo (ML)	DWP (Note)

Apologies:

Chris Higgs (CH)	DWP
Peter Thornber (PT)	DWP
Steve Swan (SS)	Tomorrow's People

1. Welcome and Introductions

- 1.1 MT welcomed attendees, particularly the second tranche of new members joining the board today. This was followed by introductions. He mentioned that JMi, Employment Category lead for DWP's Commercial Directorate, had been invited. MT and JMi were looking at the best place for Merlin to sit and which of them would chair the MAB. The decision would be provided at the next board meeting

2. Minutes of Previous Meeting

- 2.1 The minutes of the last meeting on 21 May 2014 had been accepted by email.

3. Action Points

- 3.1 **Action Point 1/May 14:** 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.

Cleared: A note has been placed on the News section of the website.

3.2 **Action Point 2/May 14:** Provide further update on complaint.

Cleared: See section 5 below.

3.3 **Action Point 3/May 14:** Submit SCP schedules supplied by primes to DWP for confirmation that all subcontractors included.

Cleared: DWP subcontractor schedules have been shared with emqc.

3.4 **Action Point 4/May 14:** DWP performance management to respond on approach in the event of a prime provider getting lower scores at reassessment.

Cleared: There are no contractual measures for lower scores, unless it is the result of a breach of contract. However, DWP will investigate and a robust improvement plan will be agreed, with key milestones to measure progress – except where there is a valid reason, such as an additional supply chain at an earlier stage of maturity.

3.5 **Action Point 5/May 14:** Provide an updated assessment schedule in September 2014.

Cleared: Updated schedule sent to board members.

3.6 **Action Point 6/May 14:** Forward emqc's Assessment Report to MAB members.

Cleared: Summary of Assessments Reports sent and discussed at meeting. See section 6.

3.7 **Action Point 7/May 14:** Report on discussion with SME Champions regarding cross-Departmental cooperation in supply chain management, and Merlin. A set of principles for a cross-government approach will be discussed at their meeting next month. The Terms of Reference for the subcommittee will be made available to MAB members.

New Action Point 1:

3.8 **Action Point 8/May 14:** DWP and emqc develop data/messages on the benefits, drawn from WP and ESF reassessments to be incorporated into the Communications Strategy and marketing plans.

On-going: Messages to be developed after the ESF reassessments due later this year are completed.

3.9 **Action Point 9/May 14:** DWP and emqc develop a timeline for identifying, developing, and submitting Merlin-inspired nominations to the National Compact Awards.

Cleared: See section 10 below.

- 3.10 **Action Point 10/May 14:** MAB members to consider and submit suggestions for Merlin Compact nominations.
- Cleared:** See section 10 below.
- 3.11 **Action Point 11/May 14:** Seek Compact nominations from Merlin lead assessors.
- Cleared:** See section 10 below.
- 3.12 **Action Point 12/May 14:** Request nominations through the Merlin website with links to the National Compact Awards site.
- Cleared:** See section 10 below.
- 3.13 **Action Point 13/May 14:** Arrange Compact presentation for Merlin lead assessors.
- Cleared:** See section 10 below.
- 3.14 **Action Point 14/May 14:** Liaise with Jane Malbasa re Merlin representation on the Compact judging panel.
- On-going:** KV will advise the MAB of the outcome of decisions regarding the judging panel, yet to be finalised.
- 3.15 **Action Point 15/May 14:** Send webinar links to MAB members.
- Outstanding:** Links to webinars to be sent to MAB members when webinar texts available on the Merlin website.

4. DWP Update – Barry Clarke

- 4.1 BC advised that with the Commissioning Strategy published in July, the Merlin Review can move forward. DWP plans for the Review are to be discussed later in the agenda. (See section 8).
- 4.2 There have been DWP changes around Performance, Delivery and Contract Management and 'Category Managers' have replaced Account Managers as key stakeholders.
- 4.3 Work Programme primes have completed their first 2-year cycle and on reassessment obtained a good set of results. BC noted that the general improvement had generated lots of publicity by the successful primes, not initiated by DWP.

Action Point 2: DWP to publicise the Work Programme results and that accreditation had been withdrawn from one provider.

- 4.4 Three less encouraging outcomes (which nonetheless demonstrated Merlin has teeth) were:
- One prime had a worse outcome - the Category Manager will be discussing the results with them. This is disappointing as DWP had expected all to demonstrate better supply chain management. RR added that all the WP primes have taken their outcomes seriously and this prime is focusing on areas for improvement highlighted in the report to accelerate a return to its previous 'Good' standard.
 - Accreditation has been withdrawn from a provider following a review resulting from a complaint. Discussions with that provider about regaining accreditation are on-going.
 - Last year, one of the DWP primes failed to achieve accreditation and had to show improvement on reassessment within six months to gain accreditation.
- 4.5 ESF primes are coming to the end of their 2-year Merlin accreditation cycle and are to be reassessed before the end of 2014.
- 4.6 DWP's Health and Disability Assessment Services (Additional Providers to Deliver Medical Services) contracts will be awarded later this year. The Community Work Placements contracts have been let to existing Work Programme primes, all of which have Merlin accreditation. The Work Programme CPA 18 is being re-let and accreditation will be mandatory.
- 4.7 A decision is yet to be taken on whether Merlin is appropriate for the Youth Engagement Fund which is utilising cross -Government funding with Cabinet Office and may have a different delivery model.
- 4.8 Discussions have commenced with programme colleagues around the best way to deliver Ministerial intent with regards to Work Programme Plus, currently being designed.

5 emqc update – Paul Bridle and Ruth Regan

- 5.1 PB updated members on the complaint made by a subcontractor against a prime regarding the assessment process.
- 5.2 Assessment processes have been reviewed to ensure assessors can independently contact subcontractors.
- 5.3 Members felt that there was a need for transparency as apart from being a contractual obligation, breach of the Standard could cause reputational damage. emqc confirmed that the Merlin website has been updated to reflect that the organisation in question was no longer accredited.

- 5.4 RR advised that there was widening interest in the Standard with the three webinars held well attended. Three organisations with no supply chains have indicated the intention to apply the Merlin Principles as best practice.
- 5.5 emqc are pleased with the response from their recent User Survey, which was mostly positive, with useful comments. The general consensus of respondents was that the Standard was of value for ensuring good supply chain management.

6 Review of Work Programme Second assessments – Ruth Regan

- 6.1 RR advised that Merlin has given organisations stretch. A high proportion improved in 'Supply Chain Design', having tackled areas for improvement highlighted in their 2012 assessment. More effort is being made to build strong relationships and to understand the impact of market share on their supply chain partners. All have embraced and embedded the Merlin Principles across their organisation, regardless of contract. An area that needs more attention from some is 'Environmental Sustainability' – Section 3b.8 of the Merlin Standard.
- 6.2 In response to HD's question, KM explained that Work Programme primes are sharing information with their subcontractors. Transparency regarding allocation is improving but more is required around performance as some subcontractors are still not sure they are getting a fair share of referrals.
- 6.3 RD added that a huge problem is that VSOs working with the hardest to help get unfunded referrals, forcing some to draw on reserves to meet costs, not realising that their prime or subcontractor has received funding. This is a sustainability issue with a risk that these small providers may go out of business. KM explained that some VSOs are offering services without contracts binding the parties and the DWP Work Programme Best Practice Group is looking into this. ERSA has made recommendations that funding should be provided by contractors making referrals. LCC added that VSOs need to be made aware when funding has been provided and MO'T pointed out that the best way to publicise the information needed to be considered.

Action Point 3: RD will look at whether the issue of funding for referrals is covered by the DWP Work Programme Best Practice Group.

- 6.4 MO'T informed members that Cabinet Office is working with contractors to meet environmental improvement targets as part of the Green Agenda. RR mentioned that emqc is encouraging organisations to look at the wider environmental plans and adopt them.

7 The Commissioning Strategy – Dan Ramsey

- 7.1 The Commissioning Strategy, published in July, is a high level set of guiding principles on what DWP expects from contractors and what they can expect from DWP. It builds on lessons learned from current and past programmes. DR invited members to read the full publication.
- 7.2 DR gave an overview of the consultation. MAB members had taken part individually and as a group. The consultation had received strong engagement from a good cross section, and a range of evidence from other Government Departments such as Cabinet Office. The next step is to make sure it is being applied by all.
- 7.3 KM commented that ERSA has had very positive reaction to the Commissioning Strategy. The MAB concurred that there was good engagement and that it was a job well done. HD noted that it was more flexible and wanted reassurance that DWP was able to engage with specialist providers and how the Department would manage excesses. DR commented that the Commissioning Strategy set out the intent to increase transparency and embed best practice in the market place, for example getting a more standardised approach as with the Merlin EOI.
- 7.4 JMi advised that DWP will go through extensive lessons learned with the Work Programme to ensure delivery improves. All contracts from now on will be linked to the Commissioning Strategy.
- 7.5 JMa advised that organisations are being encouraged to use the EOI template on the Merlin website. Use of the EOI is encouraged in the ITT documentation for the on-going Work Programme CPA 18 procurement and this was re-emphasised at the recent primes and subcontractors' event. Promoting the EOI during a procurement exercise is making a difference. DWP has had positive feedback from subcontractors finding it is easier to complete one template for all primes. RR confirmed that traffic on the website has increased.
- 7.6 However, DWP has received reports from a subcontractor that primes are requesting completion of their own EOI as well as the Merlin one. LCC explained that Ingeus uses the Merlin EOI but a few additional questions are required as delivery models differ. KM acknowledged that ERSA which developed the EOI only intended its use for the first stage as primes will need more information for later stages.

Action Point 4: ML to send the link to the Commissioning Strategy to board members.

8 The Merlin Review – Jane Malbasa

- 8.1 JMa went through the genesis of the Merlin Review which was the Merlin Roundtable meeting of trade associations and representative bodies in 2012. The initial proposals were developed by DR but due to its close link to the Commissioning Strategy, it had to follow the latter's publication. The Review can now go ahead.

- 8.2 The DWP researcher now leading the Merlin Review research has produced a schedule for the project, which will deliver a report for publication. Work is underway on the draft specification, with a view to procuring independent, external research expertise to deliver the project. The intention is to get the views of a wide range of stakeholders and fieldwork. The findings of the research will be fed into the Merlin Review.
- 8.3 The plan is to have focus groups looking at different themes and, to ensure accessibility, provide the opportunity to comment electronically on key questions, but cost implications will need to be taken into consideration. Documents, currently going through internal authorisation, will be circulated for MAB comment.
- 8.4 JMa shared a list of questions for members to consider and requested comments and suggestions for additional questions. Questions would need to explore how well Merlin is embedded not just at the top of supply chains but in lower tiers; and whether the Merlin Mediation Service is not being well used because issues are being resolved by more informal routes.
- 8.5 KM added that the questions need to draw out whether Merlin is providing what its various customers (primes, subcontractors and commissioners) want, and identify any gaps. RD offered that NCVO would host a focus group of VSOs and she would be happy to work with the researcher to achieve this.

Action Point 5: MAB members to send comments/questions on the Merlin Review questions by email to DWP.

Action Point 6: Draft commissioning proposal will be shared with MAB members.

9. Selling the Benefits – Jane Malbasa

- 9.1 The DWP Merlin Team met with eqmc to consider the benefits of Merlin, and whether there was evidence to support our views. The positive evidence from the second Work Programme assessment results; feedback on the value of Merlin to primes; and different sectors coming forward for assessment are all evidence that can be used to market the Standard.
- 9.2 The relationship between contractor performance and Merlin results may be difficult to demonstrate. RR suggested that it may be possible to look at the voluntary assessments to see how Merlin has improved their performance. PB suggested creating case studies to illustrate the positive effect of Merlin. MT commented that the MAB could use these as a marketing tool.

Action Point 7: RR to review voluntary assessments to see if performance results have improved with accreditation.

10 The Compact Awards Nominations – Jane Malbasa

- 10.1 The National Compact Awards have been promoted on the Merlin website and Merlin assessors were requested to seek nominations from primes. The deadline is 1 October with the awards ceremony on 5 November. There are 6 Merlin related self-nominations all of which will be put forward under the Merlin banner, comprising 4 primes, one of which demonstrated the greatest improvement between the first and second assessments, and 2 DWP teams. The 2 DWP nominations are for the Merlin Board Review to enhance the VSO sector representation; and Commercial for taking active steps to encourage providers and subcontractor networking. It was agreed that DWP would feedback comments to organisations on the nominations on behalf of the board.
- 10.2 KV explained that both self-nominations and nominations by others are acceptable but KM pointed out that providers prefer to be nominated by others. MT felt nominations by a prime's supply chain would be ideal. JM advised that this would be fed back to the nominees.

11 Any Other Business

- 11.1 MT thanked members and closed the meeting.

The next meeting of the Merlin Standard Advisory Board will be at 12:30 – 15:00 on Tuesday 27 January 2015, in room LG2 Caxton House.