

## **Merlin Standard Advisory Board Minutes of 20 October 2011**

### **Attendees:**

Alan Cave (AC) (Chair)	DWP
Chris Higgs (CH)	DWP
Paul Maude (PM)	DWP
Jane Malbasa (JM)	DWP
Ralph Mitchell (RM)	ACEVO
Steve Swan (SS)	Tomorrow's People
Kirsty McHugh (KM)	ERSA
Janette Faherty (JF)	TNG/Avanta
Graeme Oram (GO)	Five Lamps
Monya Ladipo (ML)	DWP (Note)

### **Apology:**

Ed Green (EG)	Cabinet Office
Fran Parry (FP)	Inclusion
Terry Davies (TD)	Bradford Council

## **1. Welcome and Introductions**

AC welcomed attendees to the Merlin Standard Advisory Board (the Board) meeting, followed by introductions.

## **2. Minutes of Previous Meeting**

2.1 The minutes of the inaugural meeting on 13 July 2011 were accepted.

## **3. Action Points**

3.1 **Action Point 01/July 11:** JF & SS to suggest changes to the Vision document

**Cleared:** See Para. 4

3.2 **Action Point 02/July 11:** Board members to QA the Communications Brief and respond with any additional comments.

**Cleared:** Comments received and revised Communications Brief has been published on the Merlin Web Portal.

3.3 **Action Point 03/July 11:** Members to report any feedback received on Work Programme supply chains.

**Cleared:** See ACEVO paper attached.

## Updates

### 4 The Vision

- 4.1 JM presented a draft Vision paper, revised to reflect Board comments received (see copy attached).
- 4.2 In summary, the main focus is on future aspirations for the Merlin Standard, including expansion to DWP non-Welfare supply chains, and wider adoption by private and public sectors. The new Accreditation Service provider will have responsibility for marketing and growing the Standard; the Board will continue to provide support.
- 4.3 Board members defined the audience for the Vision as all levels of Government, Prime providers and sub-contractors, and recommended inclusion of 1-2 overarching statements that articulate the long and short-term Vision. The short-term to concentrate on the continued improvement in supply chain management within the Welfare sector; the long-term to encompass take up by other Departments and Local Government. The draft Vision paper is to be circulated electronically and members given time to provide further recommendations.

**Action Point 1: DWP to rework the Vision paper drawing out key messages, and circulate it to Board members for further recommendations.**

### 5. Assessment and Accreditation Body Procurement

- 5.1 PM reported that DWP received a good response with 5 bids from different sectors through the ItT which closed on 17 October. The bid evaluation process has started and is on track for the contract to be let in December, with go-live in the second week of January.
- 5.2 The provider will be required to ensure Work Programme assessments are completed by 30 June 2012 i.e. within 12 months of contract award. Board members will be advised of the successful bid as soon as the selection process is complete.
- 5.3 PM advised that the "Feedback to the Commissioner" element of the Standard had been removed for operational reasons. Providers will be directed to use alternative existing routes to feedback/influence on the commissioning processes. Primes and Tier 1 and 2 subcontractors will be advised of this change by DWP.

**Action Point 2: PM will issue a summary note to the Board providing further clarification of process.**

## **Stakeholder Feedback Reports**

### **6 ACEVO Work Programme Survey Report (available at: [www.acevo.org.uk](http://www.acevo.org.uk) )**

- 6.1 RM advised that the survey was sent to all third sector organisations, receiving 155 replies. In discussion the Board conceded that the majority of the issues identified were not Merlin specific, but were commercial in nature and/or related to the design and bedding in of the WP; others reflected lack of awareness of Merlin.
- 6.2 In summary concerns included:
- WP minimum performance targets for the harder to help may not be met;
  - differential payments may be inadequate to deliver;
  - some sub-contractors feeling they had been used as 'bid candy' and though recognised in bids, had received little or no business;
  - subs being asked to shoulder risks with no guarantees of business or formal agreements in place;
  - poor communications from Primes, for example, concerning TUPE.
- 6.3 GO suggested that contracts still not finalised may be those with new subcontractors appointed to replace supply chain partners who have pulled out; and JF informed the Board that some relationships have stalled due to reluctance to deal with TUPE issues.
- 6.4 The Board agreed that the underpinning issue is that of communication and understanding of Merlin. Greater awareness would empower sub-contractors in their relationships with Primes and reduce uncertainty. CH commented that there is a need to communicate what Merlin doesn't do as much as what it does.
- 6.5 DWP agreed to further investigate statements accompanying bids and the perceptions of SCPs being used as 'bid candy,' in order to develop clearer advice in future bidding rounds.
- 6.6 ERSA have received similar feedback, and in response are discussing standardising Eols, contract terms and cost variations with Primes. PM directed the Board to the existing Eol functionality on the Merlin Web portal.

### **7 DWP WP Analysis & Independent Report**

- 7.1 AC presented an interim Work Programme report commissioned by DWP. The report shows that supply chains are working relatively well and there is no evidence that any subcontractor has dropped out solely as a result of unreasonable behaviour of their prime provider, in contravention of the Merlin Standard or DWP Code of Conduct.

- 7.2 However, there is a perception is that the third sector is being squeezed by the WP model. Customer referral volumes have been recognised as an issue and urgent action is being taken to improve ESA flows in particular.
- 7.3 The final report will be published later in the year.
- 7.4 GO advised that NCVO have flagged up issues of inequitable risk and that some primes are more experienced and taking time to build relationships whilst others are finding it difficult to deliver. SS suggested that the SCP's are included in future communications on the launch of the assessment process.
- 7.5 AC concluded that there is a lot of common ground and that the anxiety is attributable to communication. Misunderstandings will reduce as more organisations work on improving capacity, knowledge and skills.

**Action Point 3: ACEVO to conduct follow up survey in February/March 2012.**

**8 Merlin Standard Communications note**

- 8.1 AC introduced the Communications strategy note (copy attached) which highlights the following objectives:
- Embedding the Standard within DWP processes;
  - Procuring an effective Accreditation Service;
  - Encouraging, enabling & enforcing adherence by Primes;
  - Raising awareness of sub-contractors, to address concerns, drive adherence by Primes, give confidence in the Standard, & provide a route for complaints;
  - Building the reputation, profile and credibility of the Standard.

DWP confirmed that on appointment of the Accreditation Service provider, Prime providers will be informed in writing and reminded of their responsibility to attain accreditation.

- 8.2 Board members were invited to propose further actions that the Board could take independently or collectively to ensure objectives are met. SS emphasised the need for a united front, such as developing a presentation that provides a consistent message linked to the Vision, to be delivered jointly with DWP. The message on Merlin's 'teeth' needs to be communicated clearly by DWP stating the penalties, and the benefits of compliance to encourage providers to aspire to accreditation.
- 8.3 The Board recommended that communication plans for Merlin are linked with the appointment of the Accreditation Service provider; the new provider will also have a communications role.

- 8.4 AC emphasised that the functionality of the Web Portal must be promoted to drive best practice. PM added that Merlin is being promoted with ESF Primes who are being asked to use the electronic Expression of Interest template. Information on Merlin is included in Primes' promotional material and commercial documentation.
- 8.5 KM commented that the EoI needs to be easier to find on the Web Portal and JF added that sub-contractors will only use it if Prime provider questions are harmonised, and if all Primes require use of the template. AC asked members to market Merlin through ACEVO, ERSA and other bodies and mentioned that FP had offered to help with developing a communications strategy.
- 8.6 Board members recommended that new text on the Web Portal is given greater prominence and that 'Alerts' should be added to its functionality. These will be discussed with the new service provider.

**Action Point 4: All Board members to help to publicise Merlin and develop a communications strategy.**

## **9 Work Choice Pilot Assessments**

- 9.1 PM reviewed the summary of the assessments which showed that of the 8 providers assessed, 4 passed and 4 would have failed to achieve accreditation. Failures were in Supply Chain Design, Commitment and Conduct, with most compliant with the Review principle. DWP had observed some of the interviews and could confirm that supply chain partners were not holding back and were generally positive about Merlin.
- 9.2 Participation in the pilot was voluntary. The key strengths and areas for development were shared with the Board and will be placed on the Web Portal <http://www.merlinstandard.co.uk/best-practice.php#3>. PM will be contacting DWP Account Managers regarding how to use results to ensure good behaviour is maintained and weaknesses addressed to enhance performance.
- 9.3 Prime providers need to take lessons learned on board before live assessments start next year. DWP Account Managers understand the aims and aspirations of Merlin and will help to embed the Standard with Primes.
- 9.4 AC suggested that Primes are informed that half of the Work Choice providers failed the assessment so it will be taken seriously. Account Managers must include Merlin in performance reviews to ensure the quality of supply chain management is mentioned and we achieve consistency. Primes will be encouraged to visit the Web Portal to see the strengths and weaknesses report.

**Action Point 5: The Work Choice Merlin Assessment best practice report to be placed on the Web Portal**

**10 Next Board meeting**

- 10.1 The appointed Merlin Standard Accreditation Service provider will be invited to the next Board meeting in January, and beyond that on an agenda item basis.

**Action Point 6: Merlin Accreditation Service provider to be invited to next board meeting to communicate their proposals, and receive steer from the Board.**

**11 AOB and Close**

- 11.1 AC thanked the Board and closed the meeting.

*The next meeting of the Merlin Standard Advisory Board will take place @ 11.00 am. – 1.30 pm on Wednesday 18 January 2012, in Room 2.25 Caxton House.*