



**merlin standard**

**2018**

**THE CENTRE FOR HEALTH AND  
DISABILITY ASSESSMENTS LIMITED**

**COMPACT REPORT**

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## 1. KEY INFORMATION

Assessment Type	ACCREDITATION REVIEW
Assessor's Decision	STANDARD MET
Anniversary Date	24/03/2020
Assessment Dates	26/02/2018 – 27/02/2018
Lead Assessor's Name	PAUL HESP
Customer ID	C19015
Assessment Reference	PN103288

## 2. ASSESSMENT OUTCOME

<b>OVERALL OUTCOME</b>	<b>66% SATISFACTORY</b>
1. Design	57% (Satisfactory)
2. Procure	80% (Good)
3. Contract	73% ( Good)
4. Fund	73% ( Good)
5. Develop	60% (Satisfactory)
6. Performance Manage	62% (Satisfactory)
7. Quality Assurance and Compliance	64% (Satisfactory)
8. Review and Close	56% (Satisfactory)

### 3. METHODOLOGY

The organisation nominated a Coordinator to support the planning and scheduling of the Assessment. The Coordinator submitted a Self-Assessment Questionnaire, and Pre-Assessment Notes based on this were shared before the Assessment by the Lead Assessor. The Lead Assessor prepared an Assessment Plan, and the Coordinator created a Timetable for interviews in line with this.

In advance of the Assessment, a survey was carried out of the Supply Chain Partners all 110 were invited to participate. Responses were received from 15 of 53 Present Supply Chain Partners, 3 of 56 Past Supply Chain Partners and 0 of 1 Potential Supply Chain Partner. The results of the survey informed the focus of interviews and contributed to the overall scoring.

A representative sample of Self-Employed Doctor (SED) Supply Chain Partners were interviewed, and 100% of other Supply Chain Partners. One declined to participate. The Assessment was undertaken by two Assessors (Paul Hesp and Ruth Regan). Reviews of documentary evidence were included during the Assessment period, and interim feedback was provided to the Coordinator during the Assessment. The Assessment launched with an Opening Presentation given by the Coordinator and concluded with verbal feedback being given by the Assessment Team, and discussed with the Coordinator.

Interview sessions were held with Staff, and with Past, Present and Potential Supply Chain Partners as follows:

- 4 Face to face interview sessions with staff
- 5 Remote Interview Sessions with staff
- 4 Remote Interview Sessions with Past Supply Chain Partners
- 10 Remote Interview Sessions with Present Supply Chain Partners
- 1 Remote Interview Session with the Potential Supply Chain Partner.

## 4. ABOUT THE ORGANISATION

The Centre for Health and Disability Assessments Ltd (CHDA) is a single purpose organisation established in 2014, and operational since February 2015 specifically to deliver Work Capability Assessments. The Department for Work and Pensions (DWP) is the sole customer, and CHDA is the sole Prime Contractor in England. CHDA initially took over an established supply chain that had been designed and managed by a predecessor Prime Contractor and was first accredited against the Merlin Standard in March 2016.

The number of Supply Chain Partners has changed since the last Assessment, and there is now a total of 110; of these, the majority are Self-Employed Doctors (SEDs), numbering 49 presently active, and 55 who exited in the last year. These SEDs carry out Work Capability Assessments of claimants who are referred to CHDA by DWP, on a sessional basis. Most are carried out at Centres operated and staffed by CHDA, and a minority perform the services in claimants' homes. These SEDs are individuals rather than organisations, typically practicing GPs who also work in practices within the NHS GP network, or are semi-retired.

The other Supply Chain Partners are organisations that provide services including end-user (claimant) feedback surveys, translation support, specialist and audiology assessments. There were 4 present, 1 past and 1 potential Supply Chain Partner organisations at the time of Assessment.

The supply chain delivers approximately 5% of the total contract volume, with the majority being delivered by directly employed staff of CHDA. CHDA have 1,200 employed Health Care Practitioners (HCPs). This is an important factor in the context of the supply chain; the Supply Chain provides sessional assessment services that fill gaps in capacity caused by staff recruitment and retention challenges, and by seasonal variation in volumes.

The use of an "Assessment Partner Model" has been discontinued since the last Merlin Assessment. This model engaged the services of a Supply Chain Partner that recruited, trained and deployed HCPs, alongside CHDAs directly employed staff and the SEDs.

## 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:

Funding and payment arrangements are considered fair by Supply Chain Partners, and there is a general acceptance across the Supply Chain that because this is a DWP funded contract rates will not be generous. The model of funding agreed with the commissioner enables the CHDA's costs to be accepted by the commissioner inclusive of a modest mark-up. CHDA recognise they have a responsibility to ensure costs are minimised, and they are robust in negotiating contractual fees and other expenditure to ensure good value for money, as well as balancing the Supply Chain Partner risks. (4.1)

Supply Chain Partner experiences of payment processing are very positive. SEDs access an online payments portal, and turn-round of payments is rapid, typically well under the agreed 30 days terms. Errors or delays in payments are rare, and this efficiency has improved since the last assessment. It was found in interviews with Supply Chain Partners that all tiers of Supply Chain Partners have very high satisfaction with the timeliness and accuracy of contractual payments. (4.2)

Management Information systems are robust and reliable and generate high quality data. Not only has CHDA invested in systems, but since the last Assessment it has invested in a dedicated role of Supply Chain Analyst, and this has improved the interpretation and accuracy of data. CHDA management have good quality reports on which they make performance management decisions. Supply Chain Partners find their performance data is accurately reported and are readily able to check their data against their own activity records. (6.4)

## 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:

The level of engagement with wider networks is adequate for delivery of contractual obligations. However, there is potential to develop relationships further and more broadly in order to enhance the customer experience, and to benefit Supply Chain Partners. A Customer Champion network has been established and consists of appointed “Champions” in each Centre, to who customers can go with requests or suggestions. It may be that this network is not yet fully developed, but it has the potential to help CHDA identify themes around particular topics or support; if pooled nationally or regionally, this may stimulate ideas for engagement of other organisations or services outside of the formal supply chain. (1.2)

Documentation is in place that makes references to complaints and dispute resolution, but this is not overly familiar to Supply Chain Partners. Non-SED Supply Chain Partners were confident they would be able to locate references if it were needed. The Supplier Handbook, as well as providing other information, aims to reinforce the contractual complaints and dispute resolution processes, which were designed to be mirrors of the CHDA’s own contract. Although awareness of where the specific reference points are may be modest, Supply Chain Partners in general say the culture within the supply chain is open, that CHDA’s staff are open to challenge, and that they would be listened to. This was less so among SEDs, who are less effectively engaged, and a minority of whom are quite negative about their relationship. SEDs have not received a Supplier Handbook; indeed, staff say this was not designed for them, and were uncertain if it had been issued. No formal complaints have been raised according to staff, and no Supply Chain Partner interviewed or surveyed made any references to complaining. It may be appropriate as part of a review of the Supplier Handbook to check that details are current (it has not been updated since 2015), and to consider a version suitable for SEDs. (3.3)

There is a reasonable amount of encouragement and support for Supply Chain Partners, such as meetings that had included a review of business processes, examples of training that had been made available to Supply Chain Partner staff, and encouragement in one case to provide other services. There appears to be minimal uptake of staff training offers, and one Supply Chain Partner believed there was no training opportunity. E-Learning packages are available not only to Supply Chain Partner staff, but to SEDs, although awareness of this was low. Some Supply Chain Partners believe they do not need any support. The overall evidence gathered by the Assessment Team in relation to Principle 5 (Development of Supply Chain Partners) was that some support was available, but that only the minimal steps necessary had been taken to promote or actively encourage its uptake. More could be done to promote the uptake of available training, and it may also be that there would be value in consulting with the supply chain to explore what kind of support and training would be valued. (5.1, 5.2, 5.3)

Views amongst the supply chain on the effectiveness of communications channels are divided. Some, particularly organisational Supply Chain Partners, say communications are good. SEDs have mixed views. Some say they cannot receive emails from CHDA unless they are on CHDA premises, others report no difficulties. Some SEDs have become dissatisfied with local contact points, saying staff no longer have time to talk to them, or that they do not know who their contact points should be. A number of SEDs commented that shortly after CHDA took over the contract, they facilitated one or two telephone conferences and they felt that was effective, although it was discontinued. Development in this area should focus on trying to achieve a fully inclusive communications strategy, with assurance that all intended recipients of emails are in practice able to receive them; this might necessitate some end-user IT support. In addition, encouraging greater use of the SED portal may be appropriate. We noted very low response rates and high levels of bounce-backs when distributing the Supply Chain Partner Survey in advance of the Assessment, and this may also be indicative of communications issues reported. (6.1)

There is an opportunity to further develop the approach to improving performance, inasmuch as it relates to SEDs. This group of Supply Chain Partners have been offered financial incentives to achieve a higher number of assessments per session, but none that were asked in interviews felt this was achievable. It may be that more focus could be given to the report grading results, perhaps sharing averages across the SEDs so they individually understand where they sit in relation to the overall group, or other segmentation. Despite the sensitive and confidential nature of the role fulfilled by SEDs, an approach focussing on celebrating good performance and/ or high quality may have merit. (6.5)

Updates from the relevant legislative teams within CHDA are prepared and then forwarded to the communication team for circulation. Organisational Supply Chain Partners confirmed receipt of these updates over their involvement with CHDA. However, updates on the introduction of GDPR for example, and what this could mean for Supply Chain Partners has either not yet been issued was not recalled by Supply Chain Partners (7.1)

CHDA may wish to reflect on the sufficiency of the quality assurance arrangements in respect of SCPs that do not deliver WCA services directly. It was uncertain as to what arrangements are in place, and not all have their own or any external quality certification. (7.2)

Information, advice and guidance (IAG) in relation to the assessment process is regulated by DWP and provided to Supply Chain Partners through an on-line portal and to clients via the CHDA website. The IAG provided directly by SEDs and others delivering the assessments to clients is acknowledged as being limited to, for example a cursory explanation of how the assessment and report are done to signposting them to information leaflets available in all Centres. These aspects need to be consolidated and better recognised across the team. (7.3)

Policies and processes relating to environmental sustainability are underdeveloped, and to date have comprised of ensuring that Supply Chain Partners have a policy in place. The next step should be to consider impact across the supply chain, and taking steps to improve performance, collect and report on results. (7.4)

Supply Chain Partners had their own views on how their work within the supply chain made a positive impact on the claimants they assessed. However, there was little awareness about the overall impact of the supply chain on people's development and wellbeing. CHDA can improve their position in relation to the Supply Chain's impact on claimants, employees and other stakeholders by not only capturing data, but communicating to and celebrating the positive impacts with the Supply Chain Partners. (8.3)

The exit process appears to be inconsistent when SEDs leave. It would be beneficial to review how this process had been interpreted and applied by staff within the different centres, and to consider how any lessons that could be learned from exiting Supply Chain Partners are considered and actioned. (8.5)

## 7. AREAS REQUIRING SIGNIFICANT IMPROVEMENT

The following areas were identified as needing improvement as limited evidence or insufficient evidence was during the assessment. The numbers in brackets refer to the criteria of the Standard:

As CHDA inherited the current supply chain from the previous incumbent, there has been little opportunity for CHDA to evidence how they would consult with potential Supply Chain Partners on the design of any new tender. Ongoing consultation with the supply chain has been negligible due to the very strict requirements placed on the assessments by the Commissioner. However individual organisational Supply Chain Partners were able to give examples of how CHDA had consulted with them to develop specific systems and to refine processes relevant to the customer journey. In the event of successfully gaining an additional contract as a Prime Contractor it will be necessary for CHDA to implement the strategy, systems and processes to design and procure a supply chain in a proactive, open and transparent manner. (1.3)

CHDA hold a view that collaboration in the supply chain is either not relevant or not necessary simply because most Supply Chain Partners deliver different services – and this view was endorsed by the organisational Supply Chain Partners interviewed. However, this was not the view among the SEDs who would welcome a greater opportunity to collaborate with colleagues. There are few examples of collaboration, for example between SEDs and local CHDA staff, which in some cases have become less accessible, and between SEDs and external services that provide Further Medical Evidence. This demonstrates that collaboration need not be limited only to providers of the same services. There are however, too few opportunities for SEDs to share case practice. Organisations and SEDs will be able to learn from each other, and to strengthen their relationships through broader collaboration. (1.4, 6.6)

The supply chain was established by the previous incumbent and therefore the original core values and principles were not those of CHDA. However, there was limited evidence that core principles and behaviours of the Supply Chain have been revisited since CHDA were engaged as Prime Contractor. Some staff made references to CHDA's organisational values, but this was not familiar to Supply Chain Partners, and indeed is different from a set of values in the little-used Supplier Handbook. Supply Chain Partners have assumed some basic principles are shared and described their own organisational or professional practice principles. No clear reference point was evident to define the shared principles and behaviours of the supply chain. This should be developed with the input of Supply Chain Partners, consolidated, recorded and shared in a common reference point. (1.5)

Supply Chain Partners have no knowledge of the ratio or link between the funding received by CHDA and the agreed fees for their services. CHDA should communicate with their Supply Chain Partners, including SEDs, the relationship between costs incurred and income received from DWP. (4.3)

Although a template for production of an annual continuous improvement plan exists it has not been used in practice. The absence of a continuous improvement plan leads to the organisation being unable to accurately reflect on improvements that have been made or planned, and SCPs are not engaged in a supply chain-wide improvement process. CHDA need to instigate an effective annual continuous process, which is inclusive of and shared with the SCPs. (6.7)

There was very limited evidence of the impact the supply chain has on wider social objectives, and this was confined to a 100% increase in the number of staff delivering Work Capability Assessments, and 92% of staff using CHDA training to improve their practice. This has a relatively tenuous association with the supply chain activities, and CHDA need to think more broadly about the impact its supply chain activities are having. (8.2)

Whilst effective processes were found to be in place to collect and analyse Equality and Diversity data, and to collect and review Supply Chain Partner organisations' Equality and Diversity Policies, no evidence was found of this leading to any improvements. CHDA need to take a proactive approach now to make use of the data and to identify and report on activities that have taken place and what improvements have been achieved and celebrated. (8.4)

## 8. 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>The supply chain was originally established by the predecessor Prime Contractor and CHDA since have made few changes. The composition of the supply chain includes representation of private sector organisations, SEDs who predominantly work in the public sector, and in the wider network, charitable organisations that provide for example support for deaf and blind claimants and other public sector services such as NHS X-Ray providers. Organisations span a broad range of sizes from individual, self-employed doctors to large corporate organisations. Planning for the next two years ahead has been stalled because of uncertainty over the tenure of contract with DWP, but the extended term begins immediately after this Assessment, and CHDA management plan to review the suitability of the supply chain now that contracts have been signed.</p>
<p>There has been some evolution of the supply chain, although needs have not changed significantly during the last two years. CHDA is not complacent and keeps the supply chain under consideration through annual strategy reviews. A review of the viability of the SED network has already begin and should soon be concluded. Steps were taken to dual-source one of the services procured from a single source Supply Chain Partner several months ago, although the recent, unexpected acquisition of the potential new SCP by the incumbent may result in no resolution.</p>
<p>CHDA operate their procurement processes through three specific mechanisms- Request for Quotation, Request for Proposal and Request for Information. Rather than publicly advertise opportunities to join the supply chain, they approach potential Supply Chain Partners, making use of their own research, suggestions of Supply Chain Partners or industry contacts. Due diligence was consistent and thorough according to Supply Chain Partners and involves them completing a Questionnaire and submitting policies for review and modification where necessary; this is reviewed annually. Supply Chain Partners feel the procurement process was fair and transparent. Although not referenced by Supply Chain Partners during interviews, these arrangements are described in the Supplier Handbook.</p>
<p>Performance expectations are clear. No ambiguity was found among any of the Supply Chain Partners or staff. KPIs are agreed with Supply Chain Partners, typically specifying response times, appointment cancellation and reporting timelines. Where unique services are delivered, timelines and frequencies of service are contractually specified. There is a level of concern among SEDs that some expectations- in particular an expectation of completing up to 6 assessments per session, is unrealistic because of an increased administrative burden.</p>

Fees are agreed at the time of contract with new Supply Chain Partners, and for existing Supply Chain Partners are varied through formal contract variation process if necessary. Fees have been improved for SEDs using this process, and the fees are set in contract for all Supply Chain Partners. Standard payment terms of 30 days are applied in all contracts, and this is designed to ensure that working capital fluctuation is minimised and takes account that the majority of SEDs are SMEs or self-employed.

## DO

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

Performance management and quality assurance arrangements vary between SEDs and organisational Supply Chain Partners. For SEDs, local Centre Managers monitor the quality of reports submitted and grade them, providing feedback. Some SEDs feel there is inconsistency here between different staff, but in principle believe it is effective. Other Supply Chain Partners are now managed via the recently created roles of Category Manager, and the approach to performance management comprises regular meetings to review progress, and frequent telephone and email dialogue to ensure effective operational communications. Performance Improvement Plans (PIPs) have been implemented where necessary, and in one example identified through interview the relevant Supply Chain Partner confirmed that CHDA was supportive and offered relevant advice and guidance on what might be done to improve performance. Actions taken were successful and the PIP subsequently removed.

Among organisational Supply Chain Partners, relationships are positive, open and honest. Partners describe a culture of supportive and consultative management, and all felt they and CHDA's staff would not be constrained in raising any concerns, nor in making suggestions that would improve services or support. Some, but not all SEDs, were less enthusiastic about the relationship, and CHDA management also have concerns about the relationship. The culture is less consultative and less open with this group, and a sustainable way of managing the network has yet to be found. Some SEDs commented that the relationship has worsened as a consequence of them being managed by administrators instead of clinicians.

Performance review is a two-way process for most, although some SEDs feel their local contacts may not be sufficiently able to engage in clinical detail. That aside, reports are audited by CHDA and feedback is given alongside an A-C rating, with opportunity for discussion and clarification where needed. Other Supply Chain Partners have monthly meetings where MI is used as appropriate to review performance. A system of Service Credits is used, which allows for "discounting" of below-standard service, and this is understood and respected by all Partners.

Management Information Systems produce accurate and timely information, and discussions between Category Managers and Supply Chain Partners are qualitative and searching, with an interest to understand underlying trends apparent. No evidence was

found of inaccurate information. MI data is used to generate reports, which are used by Supply Chain Partners to support payment claims.

SEDs gave examples of a robust quality assurance period in which four of five consecutive reports have to be graded A, and the other at least B, before being made "active" in their contract. Audits of reports continue throughout the SED contract delivery, with gradings being recorded as a measure of quality. One of the Supply Chain Partners conducts an end-user satisfaction survey using questions that have been approved by DWP, and the results of this are evaluated and shared with SEDs. Satisfaction rates are high and have increased from 88% to 97% over the life of the CHDA contract; these figures are for direct delivery and supply chain delivery combined. In the case of other Supply Chain Partners, it was not clear what explicit ongoing quality assurance arrangements are in place, and for some, there is the acknowledgement by CHDA that the Supply Chain Partners are the experts and are quality assured by them maintaining their own external validations by their professional bodies. However, not all have their own quality assurance processes or external certifications, so this is an area to be developed.

## REVIEW

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

Supply Chain Partners were not able to give measurable examples of the impact their activities, or the supply chain, had on any wider social objectives or policy intent, and were not familiar with what these objectives or intents may be. CHDA relate this criterion to job creation and cited that there has been a 100% increase in the number of staff delivering Work Capability Assessments, and that 92% of staff use the training provided by CHDA to improve their practice.

SEDs explained that their approach to assessments and understanding of the stress the process can place on the client had increased through their engagement with CHDA and their approach to assessment. Feedback from the client survey conducted by CHDA confirms that the client experience of the assessment process had improved over the CHDA tenure. Others SEDs explained how their own work-life balance had improved by joining the CHDA team as they were able to manage the hours and days they work.

## 9. CONDITIONS OF ACCREDITATION

### 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@assessmentservices.com](mailto:merlin@assessmentservices.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:
- 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 re-accreditation 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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