



**merlin standard**

**2018**

**INGEUS UK LTD**

**COMPACT REPORT**

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## 1. KEY INFORMATION

Assessment Type	REVIEW
Assessor's Decision	STANDARD MET
Anniversary Date	15/06/2020
Assessment Dates	13/06/2018 – 15/06/2018
Lead Assessor's Name	SUSAN SMITH
Customer ID	C10122
Assessment Reference	PN103475

## 2. ASSESSMENT OUTCOME

<b>OVERALL OUTCOME</b>	<b>92% Excellent</b>
1. Design	93% Excellent
2. Procure	95% Excellent
3. Contract	100% Excellent
4. Fund	87% Excellent
5. Develop	93% Excellent
6. Performance Manage	89% Excellent
7. Quality Assurance and Compliance	88% Excellent
8. Review and Close	88% Excellent

### 3. METHODOLOGY

Ingeus UK Ltd (hereafter known as Ingeus) continues to be mandated by Department for Work and Pensions (DWP) to be accredited against the Merlin Standard due to being a Prime delivery partner for the Work Programme, Work Choice, and more recently the new Work and Health Programme. Ingeus also has a number of other supply chains as a result of contracts with various other commissioners and these are also included in the scope of the Merlin assessment. Organisations that hold the Merlin Standard are required to be re-accredited every two-years, and consequently, Ingeus came forward for re-accreditation in line with the anniversary date.

The assessment team comprised of Susan Smith (Lead Assessor) and Andy Richardson (Team Assessor) supported by a coordinator from within Ingeus. The Lead Assessor started to work with the coordinator in March 2018 to establish the scope and discuss the logistics of the Assessment. The dates for the on-site were identified, and a plan of action agreed.

A booking form was submitted to Assessment Services Limited along with a spread-sheet indicating a full list of Supply Chain Partners; past, present and potential delivering an end-to-end service or specialist intervention activity.

In advance of the Assessment a survey was carried out of the Supply Chain Partners, with all 116 being invited to participate. Responses were received from past, present and potential Supply Chain Partners, which represented 41% of the total. The results of the survey informed the focus of interviews for the assessment team and contributed to the overall scoring.

The Lead Assessor was in regular contact with the coordinator prior to the on-site activity to review the schedule and logistics. All documentation required for the assessment; Self-Assessment Questionnaire (SAQ), Pre-Assessment Notes (PAN) and schedule were shared in line with the agreed timescales to enable the assessment to take place as planned.

The assessment team spent a total of 3 days each reviewing documentary evidence and undertaking interviews with Ingeus staff involved in the strategic and day-to-day management of the supply chains. Some 20% of the Supply Chain Partners were interviewed in line with published Merlin scoping framework. Interviews were conducted with a wide range of Supply Chain Partners; end-to-end, specialist intervention, as well as past, present and potential across all contracts.

The following report provides an indication of the findings against all the criteria within the Merlin Standard, which was evidenced across all the supply chains referenced below, as well as areas of strength and areas to consider for development over the next two years.

## 4. ABOUT THE ORGANISATION

Ingeus has a vision “a strong society in which citizens have the independence, knowledge and know-how to thrive.” It helps governments and employers design and deliver services to solve the complex challenges caused by social and technological change. It has four key areas of delivery – Youth, Employability, Apprenticeships and Health.

The Ingeus Group evolved from a small rehabilitation company founded by Thérèse Rein, called Work Directions that commenced operations in Australia in 1989. Work Directions Australia quickly established a reputation for inspiring people who were cut off from work due to disability, illness or injury, by assisting them to address the physical and psychological aspects of their condition and helping them back to work. In the 1990s, this expertise was adapted to provide individually tailored and enabling services to assist people who were on unemployment benefits back into work. Services were subsequently expanded to include nationally accredited training, labour hire and recruitment services. In 2002, the organisation began assisting those people most isolated from the labour market in the United Kingdom and later re-branded as Ingeus. Today Ingeus works across many sectors with a number of different commissioners.

The split of delivery between Ingeus and Supply Chain Partners varies across contracts and commissioners. The present supply chain breaks down by sector as follows;

### Work Programme

Scotland: direct delivery 70%; Supply Chain Partners 30%  
West Yorkshire: direct delivery 67.5%; Supply Chain Partners 32.5%  
East of England: direct delivery 62.5%; Supply Chain Partners 37.5%  
East Midlands: direct delivery 73%; Supply Chain Partners 27%  
West London: direct delivery 76%; Supply Chain Partners 24%  
North West: direct delivery 59.5%; Supply Chain Partners 40.5%  
North East: direct delivery 69%; Supply Chain Partners 31%

### Steps to Success – Belfast

Direct delivery 67.5%; Supply Chain Partners 32.5%.

### Work & Health Programme – North West (DWP)

Direct delivery 60%; Supply Chain Partners 40%

### Working Well Work & Health Programme (GMCA)

Direct delivery 55%; Supply Chain Partners 45%

### Central London Works (WHP Central London – Central London Forward)

Direct delivery 64%; Supply Chain Partners 36%

### Work Choice

Direct delivery 34%; Supply Chain Partners 66%.

### National Citizens Service

Recruitment is managed by Ingeus and delivery is 100% delivered by Supply Chain Partners.

## 5. AREAS OF SIGNIFICANT STRENGTH

A number of significant strengths were identified during the Assessment and those which are particularly noteworthy are described below. The numbers in brackets refer to the criteria of the Standard:

Supply chain design is a comprehensive and robust process that takes into account the needs and requirements of commissioners, customers, Ingeus and Supply Chain Partners. Extensive research, consultation and co-production occurs during the design phase to ensure that expectations are well thought through and all parties feel a sense of 'belonging' to a partnership based approach. Supply Chain Partners taking part in recent supply chain design activities comment very favourably on the level and quality of the engagement. Comments included *"I feel we had a big hand in shaping the supply chain and the programme itself. We're highly specialised in this area and Ingeus are very experienced in running government programmes and they have the credibility too"; "We created a participant journey map in one of our joint workshops and that helped us to understand the various touchpoints when designing the programme and the supply chain"; and "We were clearly working as a partner to Ingeus and co-designed the programme. We were able to share with them the wider context of stakeholders in this region, though I've got to say that Ingeus did a much better job with their initial modelling than all the other prime contractors that we deal with."* (1.1 / 1.3)

Supply chain design also facilitates effective collaboration. A significant number of examples were found where Ingeus has enabled better performance of, and the delivery of comprehensive services, in its supply chains by encouraging a collaborative approach. Examples include sharing resources, co-locating in premises, creating purchasing groups to secure better deals, sharing staff and sharing training and development activities. (1.4)

Communication throughout the initial design and delivery phases of supply chain activity is effective. Ingeus prepares a communication strategy for each opportunity and ensures that its procurement processes match the communication commitments made. Supply Chain Partners feel that this creates a fair and transparent approach. One illustrative quote from a Supply Chain Partner was that *"I felt the process was rigorous, but it certainly encouraged us and allowed us to tell our story. They were clear about the process up front and I found it all to be very fair and transparent."* As a result, performance expectations and funding arrangements are clear before contracts are signed and Supply Chain Partners are supported to ensure they clearly understand them. (2.1 / 2.4)

Supply Chain Partners confirm that there are explicit contracts in place that have been clearly explained. Ingeus provides many opportunities for queries and acts on behalf of the supply chain where commissioner's terms could be onerous. Equally, there are examples of Ingeus accepting terms that it does not transfer directly to its Supply Chain Partners in order to minimise risk for the supply chain. There is a good change control process in place for contract variations. (3.1)

There are a significant number of examples of Ingeus ensuring that funding arrangements are fair, proportionate and do not cause undue risk for Supply Chain Partners. Examples of the action taken in this area include payments made in advance in emergency scenarios, schedules of early payments established and arrangements made whereby Supply Chain Partners are paid in advance of Ingeus receiving funds from the commissioner. The vast majority of Supply Chain Partners were clear that much of the action in this regard was discussed early in the relationship. Additionally, Ingeus complies with the Department for Business, Energy and Industrial Strategy Prompt Payment Code (administered by the Chartered Institute of Credit Management). (4.1)

Ingeus undertakes to support and develop its Supply Chain Partners throughout the life of the various contracts it holds. Supply Chain Partner feedback about the way in which they are helped to develop systems and processes to enable successful contract delivery is strong and there are good examples of financial planning tools that have helped Supply Chain Partners to remain sustainable. A number of Supply Chain Partners have also been helped to access other funding both through Ingeus and its activities and outside in the wider community to which they have been signposted. (5.1 / 5.2)

Management Information (MI) systems were cited by the vast majority of Supply Chain Partners as being robust and capable of producing consistent, accurate and useful performance data which is used to manage performance. On the National Citizen Service supply chain, Supply Chain Partners have the opportunity to influence the development of the reporting functions through a working group and also there has been the co-creation of more visual reports using software purchased by Ingeus. (6.4)

There is a positive and supportive culture of communications which the vast majority of Supply Chain Partners cite as being transparent, open and honest. Supply Chain Partners have access to good information, advice and guidance from Ingeus staff on a range of issues from technical and IT matters to learning and development and business support. (6.2 / 7.3)

Ingeus is an accredited B Corps organisation. Ingeus won 'best for the world' in the 'customer' category. This category assesses delivery impact with marginalised people and those undergoing economic and social hardship. As the Ingeus supply chain is an integral element of overall delivery, the whole network has directly contributed to this award. Statistics relating to this are shared in the Review section of this report. (8.3)

## 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 Partnership Charter for the National Citizen Service clearly outlines mutually agreed core principles, expectations and behaviours for all parties. This model could be considered in other divisions when developing new supply chains in order to also benefit from the positive culture it brings to supply chain activities. (1.5)

Management fees are clearly stated in contracts and this is shared during the design and initial implementation phase. Due to changes in staff in Supply Chain Partners over the life of the various contracts, Ingeus may wish to consider a mechanism for ongoing communication about management fee levels and the services provided. (4.3)

Each division develops its own Self Assessment Report and Quality Improvement Plan. Supply Chain Partners are involved in the process and many cite the benefits of engagement in terms of their own quality development processes. Ingeus is asked to consider the benefits of an overarching, organisation-wide Self Assessment Report and Quality Improvement Plan that reflects key themes across the different divisions and supply chains. (6.7)

Quality assurance processes are robust across all tiers. Some Tier 2 Supply Chain Partners bring new specialists and other partners into their delivery to varying degrees. Whilst there are no contracts in place for this, these still form part of the Ingeus supply chain and as such quality assurance arrangements should reflect this. Ingeus is therefore encouraged to consider developing its quality assurance mechanisms accordingly. (7.2)

Whilst the exit process is well developed and there are many positive experiences, some Supply Chain Partners do not have a clear view of the full process and associated timelines. Ingeus may therefore wish to develop its approach such that there is full visibility of the whole exit process and timescales for all tiers of Supply Chain Partner. (8.5)

## 7. FINDINGS

The feedback below is reported against key criteria of the Merlin Standard, aligned with the “Plan-Do-Review” business cycle.

PLAN
<p><b>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.</b></p>
<p>In terms of supply chain design, the aim of Ingeus is to ensure the delivery of solutions which meet the customers and commissioner needs. Ingeus follows the ‘Double Diamond’ approach including four main phases: Discover, Define, Develop, and Deliver. It also undertakes User-Led Design which includes engagement with potential participants of services. This engagement can take the form of focus groups, surveys or semi-structured interviews. Quantitative analysis of internal data is undertaken and external databases such as NOMIS population information, Local Authority and NHS published data, as well as data and evidence from the experience of potential Supply Chain Partners is also factored into supply chain design. During the design phase, potential Supply Chain Partners confirmed that they are consulted to validate decisions, share knowledge and expertise. The outcome of the design activities includes the proposed supply chain structure and range of Supply Chain Partners needed to meet the requirements. Supply Chain Partners confirmed that <i>“You can see that Ingeus have gone out of their way to make sure that all the sectors are covered, third sector, public, charities etc.”</i> and a staff member that <i>“the co-design phase helps to ensure that the best-suited partners are engaged on the various programmes. In looking to meet the commissioner’s needs and the needs of the end user, invariably we need to consider the use of the widest range of partners. Each brings something different to the table.”</i></p> <p>Ingeus reviews and evolves supply chain design to meet the changing needs of both customers and commissioners. The outcomes of the various processes and mechanisms to review and develop the supply chain have given rise to some changes, including the loss of organisations from the partnership and the introduction of new organisations with different delivery methodologies. Supply Chain Partners commented that <i>“Where there are any changes in needs and expectations, Ingeus will always consult with us first. Sometimes we can point them in the direction of pre-existing networks that we’re aware of”</i> and <i>“Network members have grown as demand has increased and there’s also been some shift in allocations. Obviously, some partners have gone by the wayside due to performance issues typically, but the process for reallocation has always been transparent, and I’ve felt, fair.”</i></p> <p>The overall approach to the TUPE process has not changed since the last Merlin assessment. It primarily consists of monitoring the Supply Chain Partner’s progress through the process to ensure a smooth transition of staff within the timescales required for each programme and providing additional support to partners where this is needed.</p>

In one case staff transferred between Supply Chain Partners and whilst technically Ingeus didn't need to take a role, the organisation did so which helped to coordinate efforts. The Supply Chain Partner commented, *"I was quite surprised they actually got involved, but I've got to say they did a good job and we were all grateful of their support."*

A clear understanding of performance expectations is ensured from the service design stage onwards and negotiation with Supply Chain Partners happens in an open and transparent fashion. There is a proactive approach taken to ensure mutual understanding and acceptance of terms relating to volumes, funding and performance expectations. Ingeus maintains open communication with Supply Chain Partners throughout the tender and contracting process to ensure the offered terms are clear. Unit prices and indicative volumes are visibly laid out in Prebid Agreements and updates are re-issued when commissioners expectations change through commercial dialogue. Ingeus provides multiple opportunities to discuss the terms both pre-tender and prior to contracting. After 'go-live' date the contract management lead has responsibility for monitoring the performance of Supply Chain Partners and will ensure performance expectations are understood and provides support through the performance management process.

The Ingeus approach to funding and payment arrangements primarily mirror the terms issued by the commissioner; however, there are examples where it works closely with Supply Chain Partners during the tender and contracting process to ensure awareness and understanding of payment terms and completion of budget documentation. Every Supply Partner Chain is supported to enhance awareness of all cost components and to assess their financial standing delivering the contract. Additionally, there are a number of examples where Ingeus does not passport the commissioner's terms and takes the commercial risk on behalf of Supply Chain Partners. Ingeus conducts credit checks on all Potential Supply Chain Partners to ensure their financial position affords sufficient stability to undertake the services being contracted. Notably, Ingeus has committed to the 'Prompt Payment Code' which sets the standard for best payment practices including requirements on paying suppliers on time. It provides clear guidance to suppliers around payment procedures, as well as the provision of a dedicated staff member who, after contract management lead, acts as a point of contact for any complaints or disputes around payment procedures.

## DO

### **Supply Chain Partners are supported to develop their services to meet or exceed expected performance and quality assurance requirements.**

Ingeus aims to support all Supply Chain Partners to fulfil their contractual obligations throughout the life of the contract. The level and type of support will vary depending on the maturity of the contract, and perhaps influenced by contract value and size, but, the core principles of this support are outlined in the Supply Chain Management Framework. Further support measures include dedicated Ingeus contract management lead, support from other functions as appropriate, sharing training materials, facilitating forums to encourage development and practice sharing, Delivery Partner Assurance Reviews (DPAAR's), bulletins to circulate updates, information and industry practice, online learning platform and access to the Performance Excellence Framework (PEF) for Steps 2 Success delivery partners to assess their own organisation's development. One Supply Chain Partner commented that *"We've learned a lot about thinking strategically by working with Ingeus. Where before we might just have leapt in and done some things, we are now much more mindful of the commercial considerations and that's helped us to be more viable as an organisation."*

Values underpin a clearly defined culture of openness, fairness and honesty. The approach to communication with Supply Chain Partners is captured and set out in the Supply Chain Management Framework (SCMF) where Ingeus commits to 'developing relationships with our Delivery Partners which are based on mutual respect and communication.' Supply Chain Partner comments included *"Our Supply Chain Manager talks to us on a daily basis and is happy to answer questions any hour of the day. He's very supportive and undoubtedly the best manager I've experienced to date across the various primes we work with"* and *"We get weekly updates, the Tableau reports and frequent bulletins all of which are excellent."* Other illustrative quotes included *"Throughout all conversations, I felt Ingeus were as flexible as they could be"; "The relationship maintained a good level of professionalism"* and *"We negotiated with them on an acceptable fee rate that allowed us to remain cost efficient to the very end of the contract term. We maintained a good level of communications throughout the contract wind down and even now continue to get bulletins periodically – we don't get that from the other contractors we've worked with."*

There is a consistent but flexible approach to performance review across all contracts and sectors. For all Supply Chain Partners there is a structured performance review meeting at least once per quarter and/or per targeted delivery period (in addition to this, there is also a monthly review on most contracts). The quarterly review includes, but is not limited to structured, formal review and analysis of performance objectives, analysis of individual provider performance data, a forum to ensure that Supply Chain Partners are clear about where they are against performance and delivery expectations, an opportunity for the Supply Chain Partner to present their own performance, including any risks, concerns and mitigating actions and recognition of any over performance and innovation.

Staff explained that *“The Performance Excellence Framework and the Enhanced Performance regime are good approaches by Ingeus to help partners to continually develop and improve performance. As a result, we arranged visits for partners to see each other’s sites and the ones who were struggling with performance were able to see just what effective practice looks like.”* A Supply Chain Partner commented that *“We had an Enhanced Performance regime in which we had more frequent contacts from our manager (SCM). We reviewed our development plan monthly and were success in coming out of performance measures. Despite that we requested that we have continued weekly calls and I think that’s helped to avoid more improvement notices.”*

Ingeus uses several systems and methods to continuously produce robust, appropriate performance information for Supply Chain Partners across each contract. A suite of reports is available that is linked to the customer management system for their contract. There are several steps Ingeus takes to ensure Supply Chain Partners have a clear understanding of MI systems and the rationale behind reports. These include the provision of functionality user guides, encouraging collaborative working across the network to share learning, face-to-face and/or remote or webinar training, ongoing support from Ingeus lead to understand and manipulate MI and opportunities to feedback on MI systems both formally and informally. Supply Chain Partners commented that *“Ingeus Works is really good and compares very well to the systems used by other contractors”*; *“We’ve always found the Ingeus MI to be accurate and very transparent and it helped us to manage our own performance”*; and *“Ingeus Works is fantastic – easy to navigate and use. Reports are really easy to produce and that helps us to manage performance.”*

Ingeus continues to have robust processes in place to monitor the quality of delivery and the customer experience. The SCMF sets out the approach and Ingeus is transparent about the methods and processes used to quality assure. Each contract has a specific quality assurance framework which outlines the key contractual procedures and core service standards that must be adhered to. All Supply Chain Partners work to this and the reporting framework that underpins it. The Compliance and Audit Team carry out audits on a risk-based cycle. As a minimum, Supply Chain Partners will receive one biennially. The aim is to provide assurance that Supply Chain Partners have the right mechanisms in place to meet the requirements of the contract, provide an excellent service to customers, and assess governance risks.

## REVIEW

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

Social values are at the heart of everything Ingeus stands for as outlined in the Ingeus UK 2020 strategy. Working with Supply Chain Partners, the organisation does this by using evidence of what works, rethinking public services and building alliances with expert partners around the needs of citizens today. Ingeus prides itself on its B Corps Accreditation being awarded best for the world in 2017 for two categories which further confirms its commitment to social value. More practically, it is committed to providing paid employment or apprenticeship opportunities for people who have been unemployed for 12 months or more. Since 2014 it has achieved 86% of the total target in apprenticeships and 106% of the employment target. Additionally, there is support for local businesses through a range of initiatives, for example, through Green Growth schemes and mentoring startups. As part of Social Values Commitments in Greater Manchester, employers have been assisted to become Disability Confident, and 100 employers have been introduced to the benefits of apprenticeships. In the National Citizen Service work, there is a focus on creating social cohesion, social engagement and social mobility, reflected in the design of the programme, for example, the social mix target. Comments during the assessment were that *"We've calculated that the NCS in this district has increased social interaction, and provided over 2000 hours of work. This equates to over £9M in employment costs"* and *"Social value was actually 20% of the commissioning considerations initially. There is now a Social Values sub-group that meets monthly"*.

Ingeus was founded on the notion of supporting all citizens to achieve their full potential, regardless of background. The services delivered in conjunction with Supply Chain Partners provide a lasting positive impact on individuals, their families and the communities they live in. Positive impact on customers includes:

- supporting 211,501 people in to work on the Work Programme,
- 50,799 people referred to NDPP since 2016,
- Social Action Projects totaling over 90,000 hours and raising in the region of £500,000 for local organisations on NCS, and
- NDPP has supported those who attend to achieve an average weight loss of - 4.1kg.

Furthermore, positive impact on the wider community is evidenced through wherever possible, Ingeus and Supply Partners employ people from the areas in which they deliver, as a Real Living Wage employer all staff employed by Ingeus and Supply Chain Partners are paid a fair day's pay, in Greater Manchester the Alliance Partnership has collectively committed to recruit at least 35% of its workforce from priority groups and provide meaningful work experience for 42 local young people and all staff are provided with 2 Community Giving days per annum to undertake activities of their choice to support wider communities.

## 8. CONCLUSION AND CONDITIONS OF ACCREDITATION

In conclusion, this Assessment provided the opportunity to review the practices of Ingeus for the current contracts against the Merlin Standard. The senior leadership team should be mindful that any significant organisational or senior staff changes, and / or being awarded additional contracts using a significantly different supply chain may require a strategic review. Similarly, any decisions reached by the Independent Complaints Examiner may also result in a strategic review being required to ensure the Organisation continues to operate in line with the Merlin principles.

### 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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