



merlin standard

**INDEPENDENT ASSESSMENT
SERVICES
(ATOS IT SERVICES UK LTD)**

COMPACT REPORT

CONTENTS

1. KEY INFORMATION.....	3
2. ASSESSMENT OUTCOME	3
3. METHODOLOGY	4
4. ABOUT THE ORGANISATION.....	6
5. AREAS OF SIGNIFICANT STRENGTH.....	7
6. AREAS FOR DEVELOPMENT	10
7. FINDINGS	11
8. CONCLUSION AND CONDITIONS OF ACCREDITATION	16

1. KEY INFORMATION

Assessment Type	ACCREDITATION REVIEW
Assessor's Decision	STANDARD MET
Anniversary Date	28/04/2021
Assessment Dates	08/04/2019 – 10/04/2019
Lead Assessor's Name	LORNA BAINBRIDGE
Customer ID	C16265
Assessment Reference	PN104215

2. ASSESSMENT OUTCOME

OVERALL OUTCOME	83% Good
1. Design	83% Good
2. Procure	80% Good
3. Contract	90% Excellent
4. Fund	73% Good
5. Develop	87% Excellent
6. Performance Manage	91% Excellent
7. Quality Assurance and Compliance	88% Excellent
8. Review and Close	72% Good

3. METHODOLOGY

Atos IT Services UK Ltd (referred to as Atos throughout the report or Organisation) provides many government departments with access to IT functions. A major customer is the Department for Work and Pensions (DWP), whereby Atos support the department by providing disability assessments for Personal Independence Payment (PIP) benefit eligibility, which is delivered through the Independent Assessment Services (IAS) brand. The PIP is delivered directly by Atos, as well as in partnership with a supply chain; the latter accounts for approximately 35% of the delivery.

Organisations that hold the Merlin Standard are required to be re-accredited every two years, and as a result, Atos came forward for the reaccreditation review in line with the anniversary date. Atos is mandated to be assessed against the Merlin Standard due to being a Prime for DWP.

The assessment team comprised of Lorna Bainbridge (Lead Assessor) and Neil Potentier (Team Assessor) supported by a coordinator from within Atos. The Lead Assessor started to work with the coordinator in January 2019 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 (referred to as Partners throughout the report) for the PIP contract. All Partners listed were present or past, there were no potential. In addition, a total of ten commercial Partners were listed which were of various contract values.

In advance of the assessment, a survey of the Partners was carried out, with all Partners (PIP and ten commercial) listed invited to participate. Responses were received from 47.6% of the total. The results of the survey informed the focus of interviews for the assessment and contributed to the overall scoring.

The Lead Assessor liaised 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 2 days each reviewing documentary evidence and undertaking interviews with Atos staff involved in the strategic and day-to-day management of the supply chains. 100% of the PIP Partners; present and past were engaged in either the survey, or interviews for the assessment. A total of 71% of the present Partners across the PIP delivery were interviewed, as well as two past Partners and two tier 3 partners (sub-contractors of a tier 2). In addition, six commercial Partners were interviewed, as well as two potential and two unsuccessful that had submitted Request for Proposals (RFPs) to provide specific services, for example, marketing, training, etc.

This report provides an indication of the findings against selected criteria within the Merlin Standard, which was evidenced across the supply chains. In addition, reference is made to areas of strength and areas to consider for development over the forthcoming two-years.

4. ABOUT THE ORGANISATION

Atos is a global leader in digital transformation with approximately 120,000 employees in 73 countries. The European number one in Big Data, Cybersecurity, High Performance Computing and Digital Workplace, the Group provides Cloud services, Infrastructure and Data Management, Business and Platform solutions, as well as transactional services through Worldline, the European leader in the payment industry. With its cutting-edge technologies, digital expertise and industry knowledge, Atos supports the digital transformation of its clients across various business sectors: Defence, Financial Services, Health, Manufacturing, Media, Energy & Utilities, Public sector, Retail, Telecommunications and Transportation. The Group is the Worldwide Information Technology Partner for the Olympic and Paralympic Games and operates under the brands Atos, Atos Consulting, Atos Worldgrid, Bull, Canopy, Unify, Worldline and IAS.

Atos help clients deliver innovation to their customers, reduce costs and improve effectiveness by leveraging business technologies. Business Innovation, Operational Excellence and IT Leadership form the basis for the expertise and innovative solutions applied to each industry sector and individual client challenge. The Organisation's vision is to: *"accelerate progress by uniting people, business and technology"*. The key objectives are to ensure that its clients are empowered to manage the resources provided, maintain control of their processes and projects, as well as the ownership of their assets and systems, including transformation to benefit from Cloud services. All services to customers are provided in accordance with the Atos Integrated Management System (AIMS), which looks to ensure the successful delivery of all services.

As previously stated, the PIP contract sits within IAS and covers Lots 1 and 3, as defined by DWP, which is; Scotland, North East England, Yorkshire and Humberside, North West England, South East England, South West England and Greater London. Atos delivers 70% of the delivery with 2024 employees; 1425 being clinical. At the time of the assessment there were seven Partners, reducing to six from 1st August 2019. There are 69 IAS delivery centres and 106 operated by the Partners, approximately 66,000 clearances a month with 2440 face-to-face assessments per day. Complaints are currently 0.7% with an average of 94% customer satisfaction across the two Lots.

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:

Atos actively facilitate the use of wider networks across all contracts. Claimant Champions help Partners access wider networks via the PIP Engagement and Partner Forums, which include large charities, for example, Terence Higgins Trust, Alzheimer's UK, as well as Welfare Rights and Advocacy Groups, etc. Similarly, within the commercial arena Partners are encouraged to use wider networks to keep abreast of new innovations in hardware fixes for warehousing and distribution through to using other recruitment companies for temporary staff and to review Employment Legislation, to mention a few. (1.2)

The make-up of the PIP supply chain has been under constant scrutiny to ensure it is fit for purpose since it was initially designed. This is evidenced through the following changes; Partners opting to leave the contract and / or Atos opting not to extend the contract for different reasons, subsequently, numbers within the supply chain has reduced and the market share; direct delivery and Partners has continually shifted to ensure the changing needs of the customers and the commissioner are consistently met. Within the commercial space, Partners recognised the importance of bringing in new services to address changes in the industry, resolve issues, encourage innovation and to ensure they remain competitive. As a result, current Partners made reference to boutique training providers, small specialist technology through to sales and marketing professionals being brought into supply chains. (1.6)

The Human Resource (HR) Business Partners have a clear strategy for transferring people in and out of the business through Transfer of Undertaking (Protection of Employment) Regulations (TUPE). HR proactively engage with representatives and / or staff affected by TUPE in order to ensure effective consultation and enable transferees to make informed decisions. A full review of the changes to terms and conditions is undertaken and provided to prospective transferees to ensure a clear understanding of any changes. Recent transferees spoke positively of the approach adopted by Atos in terms of the support and communications to ensure a smooth transition. (2.2)

Consistently all Partners (PIP and commercial) confirmed that expectations regarding all aspects of the service delivery were clear prior to entering the contract and throughout the life of the relationship. This was achieved as a result of open communications at the start, which were complemented by regular performance and quality reviews. Consequently, Partners used phrases such as '*crystal clear*', '*extremely clear*', '*clarity from the beginning*' and '*no doubt about expectations*'. (3.2)

A wide range of learning and development activities are available to support staff throughout the delivery of the PIP. This included access to My Learning Journey; a modular based e-learning platform, training programmes and workshops, podcasts, videos and a range of different calls and meetings. In addition, Partners spoke of the ongoing support from the clinical director and clinical leads to respond to specific queries and errors made whilst working with customers. Partners were able to provide examples of improvements as a result of training interventions, for example, reduction in re-works, less U-Grades, improved customer satisfaction, consistency of service, etc. (5.3)

Partners are aware of their key contact on a day-to-day basis, and who to contact to address wider issues. Across the PIP contract, Partners spoke of an operational and clinical contact, which was proving to be beneficial, and the move to joint operational and clinical calls and meetings was viewed positively by Partners. Partners confirmed that individuals were accessible and responsive, as well as professional and fair, with a level of understanding regarding the complexities of the contract. (6.1)

A robust approach has been adopted to monitor the performance of Partners against Service Level Agreements (SLAs), Key Performance Indicators (KPIs) and quality requirements through different dashboards. In addition, the Quality Support Action Plans (QSAP) and the measuring of customer satisfaction levels (referenced as CSAT) are well embedded practices. A high proportion of Partners spoke positively of the weekly calls, monthly meetings and the access to a range of documents / management information, for example, clinical dashboards, CSAT, league tables and QCDIMS (an internal reference used across all contracts), which all contribute to monitoring and evaluating a range of performance and quality measures. (6.3, 7.2)

As indicated above, there is a robust approach to monitoring and evaluating performance at an operational and clinical level against SLAs and KPIs, and consequently, Partners are proactively encouraged and supported to improve performance. Many examples were provided by Partners regarding the support from Atos to address performance issues, which is drilled down to individual clinicians (Health Professionals – HPs). Some examples included, grading of findings within a tolerance band, better understanding of different activities, reducing the number of re-works, increasing the number of reports that meet the requirements, etc. (6.5)

Some Partner comments included:

"We improved our clinical risk rating from 2.5 to 1.8 over a three-month period."

"QCDIMS has inspired us to improve."

"We have really improved our performance over the past year due to the support of Atos."

Whilst the PIP contract has limitations in terms of innovation, different practices are identified at an operational and clinical level by Atos from across the supply chain, which influences improvements. Some examples of practices shared included, recruitment and retention, addressing missed appointments, approvals process, support packages for HPs, managing the number of assessments in a day, etc. The sharing of practices is facilitated via the Partner forums, as well as operational and clinical leads throughout the weekly calls and monthly meetings. (6.6)

Partners referenced a range of communication methods to inform them of changes to the contract, legislative and regulatory requirements, and the provision of effective information, advice and guidance to address the changes / requirements. Partners spoke of feedback regarding tribunal outcomes, updates to General Data Protection Regulations (GDPR), Modern Slavery Act, etc. which are communicated and followed up through email, bulletins, Safety Net Gazette, calls and meetings. (7.1)

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 Diversity and Inclusion Strategy clearly sets out the core principles / behaviours to be adopted across the supply chains. In the future, consideration could be made to further embedding these and measuring the Partner's performance in line with the principles / behaviours. Whilst effective processes are in place to monitor and promote equality and diversity, there are limited opportunities to collect, analyse and use the data due to the referral process. However, Atos is encouraged to be innovative and analyse such data, which may be used to improve services commissioned in the future. (1.5, 8.4)

At the time of the assessment, the contract extension was in the final stages of being agreed with individual Partners. As they entered into the two-year extension changes have been made to the market share; direct delivery and supply chain, as a result a number were uncertain regarding the current market share. In the future, consideration should be made to ensuring Partners are aware of the market share split between direct delivery and supply chain, as a minimum, and if appropriate each Partner aware of their allocated market share based on the different factors, for example, location of centres, forecast, etc. (2.3)

The payment of funds due to Partners varied with reference being made to one-off payment for estate and other costs incurred being made promptly through to payment for services taking in excess of the agreed terms and conditions. Consequently, Atos are encouraged to review the payment systems and processes in an effort to pay all Partners within the stated terms and conditions. (4.2)

Atos are consistently measuring the impact of the activities in relation to the customer and commissioner, for example, timely, consistent, fair assessment process. Partners were aware of the contribution they were making to the overarching aims and objectives of the commissioner, and the positive impact on customers. Partners spoke of the challenges of the PIP contract for staff and the impact on recruitment and selection, which was not positive. However, consideration could be made to promoting other benefits that are provided, for example, ongoing Continuous Professional Development (CPD), career opportunities, etc. (8.3)

Whilst good practice was identified in relation to annual reviews of policies and procedures, as well as audits (where appropriate) for health and safety, data security, safeguarding, whistle blowing, modern slavery, etc. the same level of robustness failed to take place for environmental sustainability. Partners spoke of submitting the policy for environmental sustainability and the larger organisations recollected undertaking EcoVadis, but very little had been done to follow up the actions identified. Consequently, consideration could be made to discussing and agreeing targets in relation to environmental sustainability and monitoring performance. (7.4)

7. 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 PIP contract is complex and as a result Atos designed very clear criteria and expectations to be met by potential Partners to ensure they were positioned to deliver the service to meet the commissioner’s objectives. At the start of the contract Atos procured and contracted with private sector organisations, as well as health, for example, National Health Service, which were of different legal entities and varying sizes. Prior to the two-year extension 29% of the supply chain was from the public sector, subsequently, this will reduce to 17%.</p> <p>In the commercial arena consideration is made to a range of organisations; public and private, and of varying legal status and size. In 2018, the overall spend with Small Medium Enterprises (SMEs) was 20.75%, with intent to grow that figure over the coming years. It is recognised that there is a need for SMEs as these tend to be better positioned with a higher level of expertise / specialism, and potentially far more innovative, responsive and flexible.</p> <p>Partners believe that the respective supply chain is fit for purpose and made up of different types of organisations to contribute to the delivery of the service/s. Some Partner comments included:</p> <p><i>“There is good variety. All bases are covered.”</i></p> <p><i>“It’s a good mix. It’s all about the geography really.”</i></p> <p><i>“I know the other parties in our space.”</i></p> <p><i>“We’re aware of others in the same industry, but that is good, it encourages competitiveness.”</i></p> <p>An area of strength is the ongoing review of the make-up of the supply chain for the PIP contract, as well as robust monitoring of the performance of individual Partners to ensure the objectives of the commissioner are achieved. Changes to the supply chain and market share have also been made as a result of customer’s needs changing, for example, rural locations, those needing home visits, etc. Atos continue to have plans to review the supply chain as it enters the extension period to ensure the commissioner’s objectives are met.</p> <p>Similarly, the make-up of other commercial supply chains is reviewed to ensure the customer needs continue to be met, and on occasions this has resulted in bringing smaller innovative organisations into a supply chain in order to provide solutions and meet the customer’s demands.</p>

HR are actively engaged in future bids to inform the business of the TUPE implications, as well as being advised of changes in contract ownership, whereby the transfer of staff may be under consideration. Consequently, a TUPE strategy can be mobilised to facilitate the transfer of staff in and out of Atos to ensure a smooth transition for both Partners and employees. A high proportion of Partners that had experienced any TUPE activity spoke favourably of the way Atos had managed the transfer of staff. They made reference to open discussions to agree those staff in scope, and the extensive checks to ensure the terms and conditions of employment were protected, along with ongoing communications. Some Partner comments included:

"The transition was excellent."

"It was eloquent."

Recent transferees into Atos also spoke positively about their experience and made reference to open communication and support to enable them to transfer their employment with relative ease. In addition, they were provided with access to equipment and systems in a short period of time to enable them to become operational.

Performance expectations were shared with Partners prior to contracting to enable them to make informed decisions as to whether to enter a formal partnership. Subsequently, prior to delivery these were explored further, clearly outlined in the contract and monitored throughout the life of the contract. In the event of changes to the contractual terms and conditions, including contract extension, performance expectations are reviewed in full and agreed prior to a contract variation being raised. Consequently, Partners confirmed that there was clarity about the performance expectations at every stage of the relationship. Some Partner comments included:

"Absolute clarity and understanding."

"Everything clear; CV ratios, lead times, short-listing numbers, etc. via a set of KPIs in the SLA."

"Performance expectations regarding turnaround times, waiting times and unseen clients, quality through KPIs."

"It's all there in the Master Service Agreement and referenced in the SLAs and KPIs."

A high proportion of Partners explained the financial modelling that was undertaken with Atos prior to contracting, and the review that takes place in the event of a contract extension. Partners spoke of submitting their financials on an annual basis and the need to demonstrate that the contract with Atos is less than 30% of the total turnover. Some Partner comments included:

"The volume of Atos business was only 0.5%."

"It is about 3% of our business."

"We went through all our financials to check that it was less than 25% of our business."

"It's worth between 5 – 6% of our business."

Partners consistently confirmed that there was no management fee for delivering the PIP contract, however, there was clarity regarding other fees, for example, service credits. Service credits are penalties for not fulfilling specific requirements, however, as a result of feedback and consultation with Partners a number of these had been withdrawn to ensure the contract was viable.

DO

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

Atos support, develop and encourage its Partners (PIP) to fulfil their contractual obligations from contract award and throughout the life of the contract. This starts with onboarding the Partners, providing them with information, advice and guidance to implement the systems and processes, as well as an extensive training programme for all new delivery staff.

Partners provided other examples of being supported, which included; seeking appropriate centres in specific locations to meet the commissioner's requirements and one-off payment for premises, as well as support with recruitment and ideas to retain staff. Some Partners also made reference to the support provided by the Claimant Champions who advocate for the customer and enable them to complete their journey.

Regular updates relating to the contract are provided, which are supported by the provision of additional guidance documents to enable the Partner to understand the requirements and continue to meet the contractual obligations. In addition, reference was made to ongoing learning and development, including Atos seconding delivery staff to provide support to their staff to improve performance.

As previously stated, Partners are aware of the different contacts within Atos, and their responsibilities. They believe individuals are accessible, approachable, responsive and professional, as well as positive and supportive.

A high proportion of Partners spoke of effective communications through a range of methods, for example, face-to-face, telephone, email; one-to-one and as a supply chain. It was generally felt that Atos are open and honest, and that there is effective two-way communications. Partners are confident to raise issues and challenges in relation to the contract, and subsequently felt that their views and opinions were heard, and Atos was 'reasonable' as changes were made as a result, for example, removal of service credits introduced in January as opposed to waiting until August. Some Partner comments included:

"Excellent two-way communications."

"Communication is good."

"Atos have listened and always supported our improvements."

"Clear, open, responsive, helpful."

An extensive range of management information is provided, which provides Partners with a clear indication of their performance against the SLAs and KPIs. In addition, clinical dashboards are accessible to Partners to monitor performance as a contract, centre and individual HP level. Whilst a few Partners spoke of the range of management information being overwhelming on occasions, they recognise the value of having access and the ability to drill down and identify areas for improvement at HP level. Partners also spoke of the league tables, and whilst anonymised for Partners, they were able to see their performance in line with that of Atos; direct delivery and others, which encourages new ideas and practices to be shared across the supply chain. Some Partner comments included:

"The league tables are great, and they share the performance of Atos, and whilst we are competitive, we also share what is working and making a difference."

"I like the league tables it does drive performance."

The senior leaders, operational and clinical managers and clinical leads monitor and evaluate the performance of Partners through analysing the range of management information, including clinical dashboards against key measures, which highlights trends and areas of concern at HP level. This subsequently informs future learning and development activities, for example, inconsistent levels of award, mis-understanding of activities, repetitive re-work, etc. Partners referenced the weekly calls whereby the overall performance and quality is discussed, along with the trends and scrutinising the performance of the top five HPs causing concern.

The QCDIMS is a pack prepared and shared with Partners on a monthly basis, which is reviewed alongside the CSAT to measure quality and the overall customer satisfaction at Lot level, as well as at centre level.

Whilst Partners spoke of a robust approach to managing performance and addressing quality issues, due to the wide range of scrutiny and analysis, they confirmed that it was proportionate and provided a level of assurance to both parties. Partners are confident to raise issues and challenges in relation to the contract; performance and quality, as well as contractual requirements and believe Atos listen. The scope for innovation within the PIP contract is limited due to the nature of the service, however, new ideas and approaches are captured and shared, for example, support conversations, probing questions, note recording, etc.

Within the commercial arena, Partners spoke of innovation being a necessity to continually meet customer expectations and provide effective solutions, remain competitive within the sector and advance the world of digitisation and technology.

REVIEW

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

Partners clearly understood the purpose and outcomes of the PIP contract which was to provide a fair and transparent assessment to support independent living, wherever the claimant lives. As a result of the way Partners have provided the service and the ongoing support from Atos, a high proportion of Partners believe the supply chain has contributed to the purpose and outcomes of the commissioner.

The large Partner organisations delivering the PIP contract and commercial services undertake a Corporate Social Responsibility (CSR) analysis on an annual basis. This provides the opportunity to review the contribution to local, national and international initiatives, for example:

- Supporting individuals to live independently, accessing and utilising supportive aids and reducing their reliance on benefits,
- Providing opportunities to SMEs to advance the sector,
- Resolving global technology challenges, etc.

In terms of the positive impact on stakeholders, Partners referenced the consistent level of service provided to customers experiencing the PIP service, irrespective of where they are living in the Country due to work on implementing Consistency Improvement Plans (CIPs) and the ongoing scrutiny and analysis of performance and quality. This included the provision of a timely appointment, within a specific radius, whereby they received a fair assessment, etc. Partners referenced the CSAT results to substantiate the outcomes, some comments included:

"Better level of service."

"Quick assessment experienced in a fair manner."

"Improved claimant journey."

"Single room centres to accommodate customer needs."

"High customer satisfaction levels."

Partners explained the complexity of the service and the high volume of HPs leaving the service after 18 – 24 months due the stress and pressures. As a result, a high proportion failed to see the positive impact on this group of people in terms of ongoing CPD, career progression, etc.

8. CONCLUSION AND CONDITIONS OF ACCREDITATION

In conclusion, this accreditation review provided the opportunity to review the practices of Atos IT Services UK Ltd 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 Merlin Mediation Service / 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@assessmentsservices.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: (merlin@assessmentsservices.com)
- 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.

ASSESSMENT SERVICES



PO Box 14,
Grantham,
Lincolnshire NG31 0EL

T: 0044 (0) 2038805059

E: merlin@assessmentservices.com

https://twitter.com/merlin_standard