



merlin standard

MAXIMUS UK SERVICES LTD

COMPACT REPORT

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1. KEY INFORMATION

Assessment Type	ACCREDITATION REVIEW
Assessor's Decision	STANDARD MET
Anniversary Date	16/06/2022
Assessment Dates	27/07/2020 – 29/07/2020
Lead Assessor's Name	SUSAN SMITH
Customer ID	C11379
Assessment Reference	PN104875

2. ASSESSMENT OUTCOME

OVERALL OUTCOME	88% EXCELLENT
1. Design	87% EXCELLENT
2. Procure	95% EXCELLENT
3. Contract	93% EXCELLENT
4. Funding	87% EXCELLENT
5. Develop	87% EXCELLENT
6. Performance Manage	89% EXCELLENT
7. Quality Assurance and Compliance	88% EXCELLENT
8. Review and Close	80% GOOD

3. METHODOLOGY

MAXIMUS UK Services Ltd (hereafter known as MAXIMUS) continues to be mandated by the Department for Work and Pensions (DWP) to be accredited against the Merlin Standard due to being a Prime delivery partner for the Health and Work Programme. It also acts as the Prime for a variety of other contracts, and these are included in the scope of the Merlin assessment. Organisations that hold the Merlin Standard are required to be reaccredited every two years, and consequently, MAXIMUS came forward for a reaccreditation review in line with the anniversary date.

The assessment team comprised of Susan Smith (Lead Assessor) and Lorna Bainbridge (Team Assessor) supported by a coordinator from within MAXIMUS. The Lead Assessor started to work with the coordinator in Spring 2020 to establish the scope and discuss the logistics of the assessment. The dates for the evidence gathering interviews were identified, and a plan of action agreed.

A booking form was submitted to Assessment Services Limited along with a spreadsheet indicating a full list of Supply Chain Partners - past, present and potential - delivering an end-to-end service (Tier 2) or specialist intervention activity (Tier 3).

In advance of the reaccreditation review, a survey was carried out of the Tier 2 Supply Chain Partners, with all 23 being invited to participate. Responses were received from 13 present and past Supply Chain Partners, which represented 57% 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 before the evidence gathering activity to review the schedule and logistics. All documentation required for the assessment - Self-Assessment Questionnaire (SAQ), Pre-Assessment Notes (PAN) and interview schedule - were shared to enable the reaccreditation review to take place as planned.

The assessment team spent a total of two days each reviewing documentary evidence and undertaking interviews with MAXIMUS staff involved in the strategic and day-to-day management of the supply chains. Some 30% of the Supply Chain Partners were interviewed in line with the published Merlin scoping framework. Interviews were conducted with present and past Supply Chain Partners across all contracts.

The following report provides an indication of the findings against key 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 forthcoming two years.

4. ABOUT THE ORGANISATION

MAXIMUS UK Services Ltd is a wholly-owned subsidiary of MAXIMUS Inc. that operates several business lines in the UK. The business constitutes MAXIMUS People Services Ltd, Remploy Ltd and the Centre for Health and Disability Assessments (CHDA) Ltd. It employs around 4,000 staff, including over 1,400 doctors, nurses, occupational therapists and other Healthcare Professionals. Operating from more than 270 locations in the UK, it is one of the largest providers of employment, health and disability support programmes in the country.

MAXIMUS provides health and people-focused services to communities. It seeks to empower people by supporting them through significant life changes, enabling them to transform their lives. As an organisation, it helps hundreds of people every day by assisting them in finding sustainable employment, developing their skills, and gaining independence.

MAXIMUS recognises the value of working with Supply Chain Partners to ensure the needs of the customer groups and those of the commissioner/s are met. At the time of this accreditation review, the following contracts were being delivered in the UK by MAXIMUS and Remploy with the support of a supply chain (note CHDA was separately assessed against the Merlin Standard earlier in 2020):

Fair Start Scotland: direct delivery 70%, supply chain 30%.

London Local Work and Health Programme: direct delivery 76%, supply chain 24%.

Greater Manchester Working Well: direct delivery 85%, supply chain 15%.

Adult Education Budget (AEB) London: 59% direct delivery, supply chain 41%.

Adult Education Budget (AEB) Greater Manchester: direct delivery 60%, supply chain 40%.

South Midlands Local Enterprise Partnership European Social Fund: direct delivery 86%, supply chain 14%.

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:

MAXIMUS uses a wide range of organisations in its various supply chains and pays particular attention when sourcing Supply Chain Partners to designing supply chains that meet the needs of customers. Some 58% of Supply Chain Partners are small to medium sized enterprises (SMEs). Supply chain design includes extensive research into commissioners' requirements and using the wider strategic approach to partnership, (Community Partnership Network (CPN) in Wales and Transforming Lives Community (TLC) in Scotland) has been fundamental to supporting customer needs. The benefits remain that this model of working incorporates a wide range of local partners and that the opportunities created for the development of the wider network are considerable. (1.1 / 1.2).

Procurement processes are robust. There is detailed and effective due diligence that ensures Supply Chain Partners are sustainable organisations with sound policies and procedures in place. Of particular note are the transparent and supportive communications throughout and the help provided to smaller Supply Chain Partners to understand the strengths and areas for improvement within their submissions. Some comments included "*The due diligence was really robust, but rightly so*" and "*It was an open, fair and transparent approach, they've made us a generous offer, taking into account our expertise.*" (2.1)

Supply Chain Partners confirmed that they were encouraged to submit their profiles prior to contract award. Subsequently, open negotiations took place to finalise the volumes, funding and finance arrangements - ensuring the contract was viable from the start. Similarly, the percentage of the market share was discussed and agreed, and Supply Chain Partners clearly understood this was based on location, expertise/area of specialism and previous experience. Some Supply Chain Partner comments included: "*We were brought into the supply chain due to the type of clients we work with, so only got a small percentage*", "*We expressed what we would like and we worked together to ensure the contract had sufficient volumes to make it viable, but not too large as we are a small organisation*", "*Profiles were requested before contracting, and subsequently volumes were openly negotiated.*" (2.3 / 2.4)

Supply Chain Partners have positive relationships with MAXIMUS that are based on the ability to mutually share when things are not working well. During the 2020 assessment, there was evidence of the dispute resolution process being used to good effect with the MAXIMUS Supply Chain Manager actively encouraging its use so that the Supply Chain Partner could access more strategic support to resolve the matter. (3.3)

Funding and payment arrangements are discussed both pre and post contract award and include detailed conversations and modelling about the impact on Supply Chain Partners. There are examples of MAXIMUS agreeing shorter payment terms and supporting new Supply Chain Partners with stock transfer fees. During Covid-19 lockdown Supply Chain Partners have been contacted to ensure that their financial position remains viable. (4.1)

The members of the CPN and TLC spoke positively regarding the opportunities to promote their services to others with the aim of increasing referrals. For example, they confirmed networking opportunities and 'spotlight' presentations at the quarterly meetings, as well as being featured within the Pulse Magazine. Also, reference was made to being invited to monthly team meetings and more recently throughout lockdown the Zoom meetings whereby they have been able to remain at the forefront of Advisors' minds. Similarly, Supply Chain Partners spoke of being able to discuss other service offers to address customer's barriers throughout the performance reviews resulting in new referrals. (5.2)

There are clear business relationships that ensure all Supply Chain Partners can access support when required. There was strong evidence of a positive culture of communication with open and honest dialogue cited by Supply Chain Partners as being essential to the positive relationships in place. (6.1 / 6.2)

Supply Chain Partners value the weekly Change Alerts as this informs them of updates to the contract, legislative and regulatory requirements. Further information is subsequently sent to Supply Chain Partners in the form of updates to guidance notes, Standard Operating Procedures (SOPs) and desk aids. Supply Chain Partners believe MAXIMUS simplify the language to make it understandable, and opportunities are available to discuss the change further, throughout the weekly performance call. Subsequently, Supply Chain Partners are expected to confirm receipt and understanding, and the Supply Chain Manager checks implementation. The quality assurance practices incorporate a check of receipt and implementation to ensure Supply Chain Partners continue to comply with the contractual requirements. (7.1)

Performance review and quality assurance and compliance processes are robust. The approach taken means that the two processes are used in conjunction with Supply Chain Partners to deliver contracts to meet commissioners' requirements effectively. Performance management is regular and detailed. Quality assurance includes both quality of delivery and compliance aspects which Supply Chain Partners find supports their continuous improvement actions. Action plans following performance and quality activities are clear and concise and provide Supply Chain Partners with a clear forward focus. Performance reviews with Tier 3 Supply Chain Partners are consistent with the activity levels and are therefore proportionate. (6.3 / 7.2)

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:

Whilst most Supply Chain Partners are aware of the management fees levied on the contracts they deliver, there could be more consideration given to operating a flexible management fee approach. For example, by providing a menu of services that Supply Chain Partners can access which would be determined from the results of the due diligence, performance and quality assurance activities. This could also be done at the annual due diligence refresh point whereby Supply Chain Partners may take on some of the activities that are part of the management fee. (4.3)

Management Information (MI) systems are sound, and MAXIMUS provides reports to Supply Chain Partners that help them to manage their performance. There are plans to develop the MI systems using Power BI Solutions such that Supply Chain Partners can generate their own reports. This is encouraged as it will provide Supply Chain Partners with greater reporting flexibility. (6.4)

There are processes in place that assist in the generation of an annual continuous improvement plan. Many Supply Chain Partners understand their contribution to self-assessment and the quality improvement plan processes; however, a small proportion remain unclear about this. Additionally, more could be considered in how the overall continuous improvement plan is shared and used by the different supply chains. (6.7)

MAXIMUS has plans which are encouraged by the Assessors to improve the way in which it creates social value from the supply chains it develops. This will be using expertise new to the business and the commitment to creating a positive impact on customer groups, external stakeholders and the wider community in which the supply chains operate. It will be interesting to review this development at the next Merlin assessment. (8.3)

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>MAXIMUS continues to consider the selection and composition of supply chains as a key component of its solution design to achieve commissioners’ objectives/requirements, acknowledging that customer/client needs are often best addressed through multi-sector/sized Supply Chain Partners. Extensive review is undertaken by a multi-disciplinary team to assess the commissioner’s requirements including market-engagement activities, stakeholder engagement and document review. Research and analysis are also conducted into demographics, through academic evidence, labour market information, and key statistics. Partnership Managers complement this through stakeholder engagement with public and third sector experts to gain local insights and test ideas. Supply chain design is informed by specific geography, a particular customer cohort or a mixture of both. As such, the nature or type of Supply Chain Partner in each supply chain varies in terms of size and sector. The MAXIMUS core values and the contract principles are translated into the SOPs for each contract. Supply Chain Partners have input to the development of the SOPs throughout the implementation period of a contract. One Supply Chain Partner commented that <i>“They are a values driven organisation, have high standards, social values, equality and diversity and safeguarding is important to them, and us.”</i></p> <p>Review strategies enable MAXIMUS to drive improvement across current delivery to meet the evolving requirements of commissioner and customer needs. There are strong working relationships with key commissioners, and through a monthly review process, key priorities are identified, and adaptations to the changing needs of the contract are made. Changes to Supply Chain Partners have occurred in the London Local Work and Health Programme in order to better meet contractual requirements. A further example is the Adult Education Budget where new Supply Chain Partners have been introduced with expertise in sectors that are more likely to grow post Covid-19 which will benefit customers. These Supply Chain Partners have expertise in sectors where there is a need to support the skills required, for example, health and social care, and warehousing. The new Supply Chain Partners are able to deliver teaching and learning via distance learning platforms.</p>

MAXIMUS has clear strategies in place to manage the TUPE (Transfer of Undertaking Protection of Employment) process. In any procurement that involves Supply Chain Partners in or out of MAXIMUS, a TUPE specialist is assigned who is responsible for ascertaining whether TUPE would or would not apply. Over the past two years there have been three different TUPE activities taking place, and in two of the three cases, the transfer has been between exiting and entering Supply Chain Partners. Although experiences differed across the Supply Chain Partners, they were found to be generally positive.

Performance expectations are made clear from the start of relationships with Supply Chain Partners and are reinforced by Supply Chain Managers through the performance review structure. Minimum service levels and performance expectations are clearly defined in the contract schedules. The performance expectations of the commissioner are translated into the SOPs which outline the delivery approach. This is underpinned through robust and transparent MI reporting against the key contract deliverables. Performance expectations are reviewed in real time throughout contract delivery. Supply Chain Partner comments included *"They were very clear from the onset about expectations"* and *"The Merlin Standard is helping the Prime to drive the performance focus."*

Please see the Strengths section of this report with regard to how MAXIMUS ensures funding arrangements are fair and proportionate. (Criterion 4.1)

DO

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

MAXIMUS continues to have a number of ways it supports, develops and encourages Supply Chain Partners to fulfil their contractual obligations. From contract award, the supply chain team is the single point of contact and act as the link to all other functions to ensure contractual obligations are met. For example, supporting Supply Chain Partners to develop a wide range of policy and process documents which are also reviewed by internal Subject Matter Experts (SMEs) and feedback provided. Throughout the Implementation Phase, joint management meetings ensure that all managers are fully aware of their contractual obligations and the key deliverables. On the Local London Work and Health Programme, Supply Chain Partners worked in collaboration with the MAXIMUS Supply Chain Manager to design a weekly report that supports them in caseload management.

Open and honest communication underpins supply chain management. The practices to support this culture are defined through the SOPs and Performance Management documents developed for each contract. Supply Chain Partner comments included:

"They are my favourite organisation to work with; they welcome you as part of their team."

"Very robust, open and transparent in their communications, including the Monthly Monitoring Reviews and quality and compliance audits."

"Over the past year (interviewee only been in post for a year) I feel the communication has developed and far more two-way."

"A really positive partnership, mutually beneficial, very supportive and accommodating, as well as flexible."

"We've developed a positive relationship with them and treated us really well."

"Very open in their communications – they're a good partner."

As outlined in the Strengths section of this report, performance management is robust. Supply Chain Partners have weekly set calls with their respective Supply Chain Manager, and there are monthly face-to-face reviews and quarterly reviews that include the Contract Director to ensure structures are in place to monitor performance. The performance review cycle starts at the beginning of a set quarter when the Supply Chain Partners agree their quarterly targets. Formal performance management spans the period; targets are further broken down monthly and tracked daily throughout the month and quarter.

The MAXIMUS MI systems can be accessed by Supply Chain Partners, as appropriate to the contract they are delivering. There are two main platforms. For Work and Health Programme the system called Adapt is used, and other supply chains use Appion for the Case Management System. Reports are centralised and provided on a dashboard. Reports are accessible to Supply Chain Partners at contract and individual Adviser level. Reports are refreshed hourly to provide Supply Chain Partners with live data, and a final report is rolled out at 8.45pm daily. Supply Chain Partners use this for their huddle meeting in the morning as this highlights any actions to be undertaken in the day.

The YETI MI system is used for the Adult Education contract, and MAXIMUS sends reports to Supply Chain Partners. As noted, there are plans for the system to be upgraded and access to reports to be provided to Supply Chain Partners directly.

The Quality Assurance Framework (QAF) continues to govern the processes, policies and activities used to monitor the quality of delivery across both MAXIMUS and its Supply Chain Partners. Quality and Compliance inputs are managed through the monthly Quality Assurance checks completed by Supply Chain Managers, and the segregated internal assurance audits completed by the central Quality and Compliance team. In its most recent **matrix** assessment, MAXIMUS received feedback as to having a "*good layered Quality Assurance system in place*". The framework underpins the contractual requirements of commissioners and key stakeholders. It has been designed to provide a clear set of qualitative and quantitative measures to support performance, quality of service delivery and customer experience. Supply Chain Partners confirmed that the approach helped them to drive quality and reduce future extrapolation risks.

REVIEW

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

MAXIMUS and its Supply Chain Partners' key remit is to support those individuals who are disadvantaged from the labour market into sustainable employment. Achieving this has an inherent positive impact and many ancillary benefits to other social objectives, in particular poverty, social justice and welfare reform. Over 6000 people have been supported into work over the last two years on the Work and Health Programme Contracts (Wales / London & Southern). Of the 1151 people who have completed the Working Well Early Help programme who were off sick and at risk of falling out of work due to a health condition, 777 (68%) have returned to their employment. All of these individual customers helped have a significant impact on their family and friends, the wider community and immediate support network. Supply Chain Partners were able to discuss impact in terms of reducing offending, improving social skills, reducing poverty, reducing worklessness, and facilitating independence. During the Covid-19 lockdown, MAXIMUS staff have been working closely with the Trussell Trust to issue food and energy vouchers.

MAXIMUS and its Supply Chain Partners regularly produce and share good news stories and case studies that show the impact on customers and their communities. These include customer successes as a result of retraining, confidence building, health condition management, financial and personal management. MI is collected to support this. Supply Chain Managers interrogate the data to review the identified groups of disadvantaged people and the impact that their participation 'on programme' has had. In the Local London Health and Work Programme, assessing social values has been built into a framework of Non-Employment Outcomes. In Manchester, an example is that MAXIMUS is supporting the recruitment of local people to work on the contract (92% against a target of 90%) and some 33% are from disadvantaged groups (against a target of 30%). MAXIMUS also contributes significantly to the upskilling agenda through the recruitment of Apprentices.

8. CONCLUSION AND CONDITIONS OF ACCREDITATION

In conclusion, this Assessment provided the opportunity to review the practices of MAXIMUS 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@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 reaccreditation 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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