# Call-Off Schedule 20 (Call-Off Specification)

This Schedule sets out the characteristics of the Deliverables that the Supplier will be required to make to the Buyers under this Call-Off Contract

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| The Buyer (DBT) is the department for economic growth. The Buyer support businesses to invest, grow and export, creating jobs and opportunities across the country. As part of this role, the Buyer has a responsibility for providing a UK-wide network of Post Office branches for the benefit of communities and businesses via its wholly owned Post Office Limited. The Government’s Manifesto stated that: ‘*The Post Office is an essential service in communities across the country. Labour will look for ways to strengthen the Post Office network, in consultation with sub-postmasters, trade unions and customers, and support the development of new products, services and business models, such as banking hubs, which will help reinvigorate the high street.’* **(REDACTED)** |
| **Contract aims and objectives** |
| The purpose of this specification is to set out the scope of the services and deliverables that the Supplier will be required to deliver under the Contract.The aim of the commission is for consultants to develop options for the future policy remit, structure, governance, and ownership of the Post Office to inform a fresh mission for Post Office. The Contract shall suggest viable, staged routes to reform. The Contract aim will be addressed through the following high-level objectives:* Identify and assess policy options towards delivering the future services of the Post Office, as part of this:
	+ Provide a synthesis and summary of the existing evidence base on the challenges and opportunities facing the Post Office.
	+ Deliver insights from qualitative research, exploring former and current customer attitudes, behaviours, and expectations towards the Post Office.
	+ Assess the extent to which the current HMG policy objectives towards the Post Office are still “fit for purpose,” and if not, propose objectives that better meet the future challenges and opportunities.
* Deliver an assessment of the options for the future ownership, governance, and funding of the Post Office, including undertaking an estimation of the likely impacts on Post Office costs, revenues, and any necessary government subsidy.
* Undertake an independent assessment of the analysis and findings of the Railton Strategic Review and the accompanying Post Office bids for Government funding including in the upcoming Spending Review.
* Bring together these other strands of work to present a series of plausible, consistent routes to reform of the Post Office over the next 5-10 years.
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| **Contract Scope**  |
| The primary focus of the Contract is to explore options and routes for delivering the services currently undertaken by the UK Post Office. The Contract shall not confine itself to the existing regulatory and organisational framework and be open to exploring alternative approaches towards addressing the policy objectives. This shall include being open to considering the potential of new markets, arrangements, and collaborations beyond the existing Post Office. The Supplier is encouraged to consider the potential use of both demand and supply side government responses to address the key market failures the Post Office is addressing, in future to meet the policy objectives. Subject to the Contract constraints, the Supplier is encouraged to consider whether insights from other sectors, global markets or countries could be of value in informing our thinking. |
| **Approach and methodology** |
| The Contract shall be split up into the follow four distinct workstreams:**Workstream 1: Policy objectives**The aim of this workstream is to design and assess a range of tangible, deliverable and value for money policy options for addressing future Post Office customer demand for its in-person services. The commission will achieve this aim by addressing the following key objectives:* Building on previous evidence, provide additional insights from your expertise on other wider industry, global market and country expertise into the structural and systemic challenges and opportunities facing the in-person markets of the UK Post Office in the context of the digital transition.
* Provide insights from different types of Post Office former and current customers in terms of their attitudes, behaviours and expectations around their likely future use and value of a future Post Office, including likely responses and impacts from a reduced or altered UK wide Post Office network or other potential policy changes.
* Assess the extent to which the HMG policy objectives for the Post Office are still “fit for purpose” (compared to the last major policy statement on the Post Office in 2010) in addressing any likely continuing future market failures. If not, propose policy objectives and delivery options that are more able to address any continuing market failures, including supporting their respective future customers and communities.
* Identify and assess the likely impact on Post Office costs, revenues, and any necessary government subsidy as well as any wider impacts and implications from a range of tangible and deliverable policy options, taking into account.

**Workstream 2: Structural, ownership and funding arrangements** The aim of this workstream is to assess the extent to which the current ownership, governance and funding arrangements of Post Office achieve HMG objectives, deliver value for money, and are fit for purpose to deliver the required services.The commission will achieve this aim by addressing the following key objectives:* Provide a full strengths and limitations assessment of the current ownership, governance and funding arrangements of Post Office, and the extent to which they support HMG policy objective and deliver value for money.
* The work should also provide an assessment of Post Office’s commercial viability in five and ten years, including full financial modelling/ forecasting, particularly in the context of mails and cash/banking trends, and options for how Post Office could become less reliant on HMG subsidy in the longer term. This work should take into account previous work undertaken as part of the Railton Strategic Review. This work should include sensitivity analysis, and a comprehensive evidence base for underlying assumptions.
* Assess whether Post Office is operating with an appropriate degree of independence to ensure the right balance between alignment with government priorities and commercial freedom for efficiency and growth. Identify and assess the benefits and risks of any changes to this balance.
* Identify full range of options for how the ownership, governance and funding arrangements could be refreshed to meet new challenges and enable Post Office to become more financially sustainable and assess what the impact of these changes would be. E.G. different forms of ALB, mutualisation, additional join ventures.
* Assess each option against Critical Success Factors agreed with HMG to identify a short-list of options.

**Workstream 3 (a) and (b): Optimising the company.** The aim of this workstream is to provide independent scrutiny of options produced and recommendations made by the Post Office Chair, Nigel Railton’s, review of the business, which is expected in September/October.The commission will achieve this aim by addressing the following key objectives:* + Provide an assessment and commentary on whether the conclusions reached in Nigel Railton’s review (and the underlying analysis used to reach these conclusions) are reasonable and evidence based.
	+ Provide due diligence and scrutiny on any Post Office bids for (non-IT-related) funding that Post Office produces immediately following Nigel Railton’s review.
	+ Provide an assessment of which options would be most aligned to the overall aim of reforming the Post Office and ensuring it has a sustainable future.
	+ Provide follow up financial assurance and scrutiny on any SR bids for subsidy and investment (known as WS3 (b)).

**Workstream 4: Routes to reform**The aim of this workstream is to provide viable, staged routes to reform such as how changes could be sequenced, and interdependencies manged.The commission will achieve this aim by addressing the following key objectives:* Produce a shortlist of most viable reform plans to strengthen Post Office’s future over the next five to ten years, taking into account changes spanning across the previous three workstreams e.g. this could include how changes could be made to the minimum number of post offices combined with improvements to the quality of service offered to customers and a reduction in central staffing costs. Alternatively, it could include thinking more innovatively about other opportunities, such as taking advantage of new markets, arrangements, collaborations and / or the complementary role of demand side responses.
* For each of the short-listed options:

o Provide an assessment of riskso Provide a cost/benefit analysis. o A high level route map to implementation and assessment of feasibility.o Assessment of how long it would take to achieve policy outcomes. o An assessment of impacts on Post Office, postmasters, customers, and communities.All the workstreams should seek to build on previous work, and the Railton Strategic Review. The outputs should be suitable to support an SR bid and/or a consultation, subject to Ministerial views. |
| **Deliverables** |
| Item | Requirement / Deliverables | Corresponding Deadline - **indicative** |
| **Workstream 1: Policy objectives** |
| 1. | Agreed topic guide for qualitative research with Post Office customers | w/c 7th Oct |
| 2. | Presentation (including slide-deck) of proposed policy objectives | w/c 14th Oct |
| 3. | Full report, with executive summary, in Buyer publication format and style for potential public publication covering all elements of the workstream description above including policy objectives and policy options for delivery | w/c 25th Nov |
| 4. | Analytical model used to estimate the impacts of policy options on Post Office costs and revenues and any necessary government subsidy.  | w/c 25th Nov |
| **Workstream 2: Structural, ownership and funding arrangements** |
| 5. | Presentation (including slide-deck) of assessment of ownership, governance, and funding options.  | w/c 21st Oct |
| 6. | Full report, with executive summary, providing an assessment of the ownership and funding options and recommendations. This shall cover all elements of the workstream description above. | w/c 25th Nov |
| **Workstream 3(a): Optimising the company (SR year 1)** |
| 7. | Presentation (including slide-deck) setting out key insights and conclusions in the draft report.  | w/c 28th Oct |
| 8. | Full report, including executive summary, including (i) an assessment of the analysis and findings from the Railton Review, (ii) an assessment of any bids for Government funding emerging from the Railton Strategic Review and (iii) an assessment of the extent to which the ownership and funding arrangements align with the assessment of the strategic policy options.  | w/c 11th Nov |
| **Workstream 3(b): Optimising the company (SR bids)** |
| 9. | Full report, with executive summary, conducting an independent assessment of the Post Office Limited SR bid.  | Autumn 2024 - Early 2025 - final timing to be determined by SR process.  |
| **Workstream 4: Routes to Reform** |
| 10. | Presentation (including slide-deck) of viable reform plans across all workstreams. | w/c 25th Nov |
| 11. | Full report, with executive summary, of over-arching viable reform plans and recommendations.  | w/c 2nd Dec |
| **Project management** |
| Day to day liaison for the project with the Supplier will be with the Buyer project manager **(REDACTED).** The project manager shall be closely involved in all stages of the research and shall expect regular and accessible contact and consultation with the Supplier. The Supplier shall provide a named project manager in their team to liaise with the Buyer project manager on a day-to-day basis. |
| **Personnel** |
| The Supplier shall state the name of their designated project director who shall be personally responsible and accountable for the overall project and the project manager who will have day to day responsibility. The project director and manager cannot be replaced until completion of the unless there are extenuating circumstances. The Supplier shall also provide the names and roles of all the members of staff conducting work on the Contract and set out how they will provide deliver team cover should this be necessary.  |
| **Governance** |
| The Contract shall be guided and informed by a Steering Group consisting of senior official workings on Strategic Post Office policy across government. The aim of this group is to provide high level guidance and input into the input and outputs of the project. The Steering Group shall provide input into key milestones such as at the inception meeting, providing comments on any research instruments as well as providing comments on the draft reports and any accompanying presentations.At a working level, the project shall be informed and supported by a working group consisting of Buyer officials. The aim of this group is to consult with the Supplier on project delivery, helping address any blockers or challenges, being a conduit for providing any necessary evidence and data and providing more detail input and challenge on the development of the draft inputs and outputs. It is envisaged that the working group would meet on a biweekly basis, though this may need flex depending on the pace of work and subsequent meetings and milestones.  |
| **Project plan and timetable** |
| The Supplier shall provide a project plan with a timetable in support of the various stages of the programme of work. This shall include a breakdown of the resources in person-days allocated to each task, identifying the contribution of key team members. The work will need to take place as soon as possible following the signing of the Contract. |