

Appendix B – Statement of Requirements – MoJ Operating Model

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1. Introduction

- 1.1 The requirement is to design a target operating model for the Ministry of Justice. The target operating model will reflect the department's decision to move to a functional leadership model in which corporate and professional functions across the department's agencies and arm's length bodies are integrated so that resources can be better matched to our priorities.
- 1.2 This piece of work takes place in the context of a 50% reduction in administrative savings. The target operating model will therefore need to reduce duplication and deliver efficiency benefits.

2. Background

2.1 The Ministry of Justice

- The Ministry of Justice works to protect the public and reduce reoffending, and to provide a more effective, transparent and responsive criminal justice system for victims and the public.
- MoJ are responsible for the following parts of the justice system:
 - courts
 - prisons
 - probation services
- MoJ is one of the largest government departments, employing around 70,000 people (including those in the Probation Service), with a budget of approximately £9 billion. Each year, millions of people use services across the UK - including at 500 courts and tribunals, and 133 prisons in England and Wales.
- MoJ works with many other government agencies, including:
 - National Offender Management Service (NOMS)
 - HM Courts and Tribunals Service
 - Legal Aid Agency

2.2 MoJ Transformation

- The MoJ Transformation Programme was established in April 2016 following the outcome of the 2015 Spending Review. As part of the 2015 Spending Review, the MoJ committed to reducing our administrative and HQ budget 50% by 2020, a saving of around £280m our 2015 current level of spending.
- MoJ Transformation is about making the MoJ a better department and the best place to work in government. We aim to do this by becoming:
 - **Smarter** - We need to place greater trust in frontline professionals, putting evidence at the heart of everything we do, using better technology.

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- **Simpler** - We need to do things right the first time, cutting out bureaucracy, waste and duplication.
- **More efficient** - We need to do less overall, have fewer staff based in central London HQ and focus our resources on priorities.
- These changes will help the department better serve the public and make the MoJ a better place to work.
- The MoJ Transformation Programme will co-ordinate and drive forward the change needed, including through nine cross-cutting initiatives to improve the way we work. The initiatives cut across our business groups and agencies and are being implemented by dedicated teams across the department. They include:
 - **People and capability** – making MoJ a great place to work, building capability and supporting our people.
 - **MoJ National** – reducing our reliance on expensive Whitehall property and promoting opportunity nationwide.
 - **Better Technology** – including a major upgrade with better collaboration tools, and a more digital workplace building on the new intranet.
 - **Data Driven Department** – becoming a department that puts data and evidence at the heart of everything we do.
 - **Streamlining governance and decision making** – by reducing bureaucracy and introducing better processes through continuous improvement.
 - **Operating model for MoJ** – how the MoJ fits together, and how we configure and develop our corporate and professional functions.
 - **New policy model** – a more flexible approach to policy making.
 - **Justice Delivery** – LAA, OPG and CICA working together to drive efficiency and digital excellence.
 - **ALB transformation** – supporting change across the justice family of organisations to streamline functions and improve efficiency.
- MoJ Transformation is primarily focused on our headquarters. Our frontline services are being transformed by separate HM Courts & Tribunals Service (HMCTS) and National Offender Management Service (NOMS) reform programmes.

2.3 Target Operating Model for MoJ

- **We have agreed that a functional leadership model will best fit the needs of the Ministry of Justice moving forward.** We have developed a 'level 0' straw man model but now need to develop specific proposals for each professional and corporate services and require a detailed design and implementation plan for how we will achieve this.
- The MoJ needs effective and efficient corporate functions that help us to deliver our priorities and the transformation agenda. As MoJ changes and improves, we

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need corporate functions that can both deliver today, and can change so they are fit for the department of the future.

- We need to reduce duplication across the department and deliver financial benefits. This means our teams doing things once and doing them well, improving standards and responding to business needs. It means bringing together our corporate and professional functions so that we can understand the size and scale of our resources and capability, collectively prioritise resources, and deploy them to meet frontline and reform programme needs.
- We will clearly define the service level provided by our corporate functions so that we can hold service providers to account for what they deliver. Each corporate function will set out its own value proposition and ways of working, including a minimum service level.
- We also need to develop suitable governance arrangements and systems (including on prioritising resource, finance and recharging of costs, specifying and monitoring service levels) that ensure we make a success of a new model and deliver quality services across the department.
- As part of this we will also review the department's overall planning, resource allocation, and delivery cycle and develop a more integrated approach.

3. Description of Services specific to this support request

3.1 The Supplier is asked to provide services to assist the Customer in completion of a Target Operating Model detailed design phase and implementation planning. The Customer has determined a direction of travel towards a more unified functional leadership model. This next phase will determine the precise configuration of the department's model and the distribution and governance of corporate and professional resource.

3.2 The Supplier will assist the Customer in their aim of achieving the following outcomes:

- **Design** - Successful completion of the Target Operating Model Design (for agreed services) including:
 - an assessment of the department's current Operating model, including the current quality of service, issues and opportunities (building on existing in-house diagnostic work);
 - a suite of options for implementing a Functional Leadership model for each corporate service including agreed set of costs, benefits and risks for each option;
 - Provision of strategic advice in relation to the risks, issues, and opportunities associated with functional leadership organisational models;
 - Design of governance, technology, and financial process, and decision

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- rights arrangements to support a functional leadership model;
 - Provision of benchmarking tools and examples against which the Customer can assess their performance across corporate services and value chain analysis of existing services;
 - Provision of business analysis and organisational design support and expertise as we design new configurations for our services, in particular to identify potential financial benefits and implementation costs of a new model
 - Developing and documenting the options and recommendations arising from the design phase;
- **Implementation** - Developing an implementation plan for the Customer to implement (for agreed services), including a set of early enabling changes to underpin the delivery of a new model. This would include:
 - Scoping and framing the work required to enable implementation of a new operating model, potentially to include developing an outline business case;
 - Assessing the gap between 'as is' and the target model;
 - Provision of strategic challenge to the Customer, both internally within the Operating Model team, and to decision makers, ExCo;
 - Developing a detailed implementation plan, service by service basis as required and overall, to deliver the customer's preferred target operating model option. This may include presenting options to ExCo and to the Secretary of State

- 3.3 In providing the above services to assist the Customer has asked the Supplier to provide a mix of resources, for successful achievement of milestones and deliverables mentioned in paragraph 5.1 of this document. The customer expect the supplier to propose other roles and their availability. For example:-

Partner (senior oversight and engagement with ExCo and Ministers)

- Director (part time);
- Senior Consultant (3-5 days per week); and
- Graduate Consultant (5 days per week).

This resource mix will be flexed during the course of the engagement by agreement between the Customer and the Supplier.

- 3.4 The Supplier will retain overall responsibility for achieving the outcomes specified above and the services are owned and led by the Supplier, with the Customer acting in a supporting role.

4. Outputs to be supplied by Supplier

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- 4.1 We will assist you in producing the following output: the documented conclusions of the Operating Model Review as set out at paragraph 5.
- 4.2 The output described above will not be Supplier branded. This is consistent with the intent of this Support Request that the outcomes are owned and led by the Customer, with the Supplier acting in a supporting role. Whilst the Supplier's Representative will oversee the services to assist, overall quality assurance and ownership of outputs, their review, approval and risk management will be through the Customer governance structure. Adoption/implementation of outputs remains the Customer responsibility.

5. Service Levels and Performance

- 5.1 The Customer will measure the quality of the supplier's delivery against the plan below:

Milestone Ref	Deliverables	Milestone date
1.	An agreed baseline of in-scope corporate services costs and FTE numbers, challenging and assuring existing MoJ data	By week 2
2.	A review of the department's current Operating model, making an assessment of the current quality of service, issues and opportunities, building on existing diagnostics	By week 4
3.	A set of options for implementing a Functional Leadership model, including options and approach for each corporate and professional services service as appropriate;	By week 8
4.	Impact Assessment and strategic options appraisals with an agreed set of costs, benefits and risks for each option;	By week 8
5.	A Target Operating Model product for agreement by ExCo and Ministers	By week 12
6.	A recommended way forward including a Level 1 implementation plan to support the customers preferred option (this may include presenting options to the Executive Committee and to the Secretary of State)	By week 12
7.	An outline business case setting out costs and benefits of implementing the agreed option	By week 14

- 5.2 If so required by the Customer, the Supplier shall produce a further version of the delivery plan (submitted as part of their bid) in such further detail as the Customer may reasonably require. The Supplier shall ensure that each version of the delivery plan is subject to approval and is maintained and updated on a regular basis as may be necessary to reflect the then current state of the implementation of the services.

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- 5.3 The Customer shall have the right to require the Supplier to include any reasonable changes or provisions in each version of the delivery plan.
- 5.4 The Supplier shall perform its obligations so as to achieve each milestone by the milestone date.
- 5.5 Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables.
- 5.6 Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.

6. Location

- 6.1 We ask all suppliers to be based in our buildings in 102 Petty France, SW1.

7. Security Requirements

- 7.1 The Supplier is required to ensure that any personnel employed/ engaged by them will comply with the **Baseline Personnel Security Standard (BPSS)** clearance required by the Customer, before they take up the post.

8. Project Timetable

- 8.1 The timetable for the work will be in accordance with the milestones provided above.