

SCHEDULE 2

Letter of Appointment and Order Form

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Dear [REDACTED]

Letter of Appointment

This letter of Appointment is issued in accordance with the provisions of the Framework Agreement between The Department for Science, Innovation and Technology and the Supplier dated 4th April 2024.

Capitalised terms and expressions used in this letter have the same meanings as in the Terms unless the context otherwise requires.

Order Number:	ecm_11899
From:	The Department for Work and Pensions ("Customer")
To:	London Economics ("Supplier")

Effective Date:	8th April 2024
Expiry Date:	End date – 31st July 2024

Services required:	Set out in Section 2 (Services offered) and refined by: The Customer's Project Specification attached at Framework Annex A and the Supplier's Proposal attached at Annex B
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Key Individuals:	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
[Guarantor(s)]	N/A

Call Off Contract Charges (including any applicable)	£49,980
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Annex D: Order Form

Framework Agreement – Futures Framework

This should include;

Annex A – Customer Project Specification

Annex B – Supplier Proposal

Part 2 – The Terms as set out in this Framework Schedule 2 (Letter of Appointment and Order Form) shall apply to this Contract.

FROM

Customer	The Department for Work and Pensions ("Customer")
Service Address	[REDACTED]
Invoice Address	[REDACTED] [REDACTED]
Contact Ref:	Name: [REDACTED] Phone: [REDACTED] e-mail: [REDACTED]
Order Number	To be quoted on all correspondence relating to this Order:
Order Date	4 th April 2024

TO

Supplier:	London Economics ("Supplier")
For the attention of:	Name: [REDACTED] Phone: [REDACTED] e-mail: [REDACTED]
Address	[REDACTED]

1. SERVICES REQUIREMENTS
(1.1) Services [and Deliverables] Required: See Annex B
(1.2) Commencement Date: 8 th April 2024
(1.3) Price Payable by Customer £49,980

(1.4) Completion Date: 31st July 2024

2 ADDITIONAL REQUIREMENTS

(2.1) Supplemental Requirements in addition to Call-Off Terms and Conditions: NA

(2.2) Variations to Call-Off Terms and Conditions: NA

3. PERFORMANCE OF THE SERVICES [AND DELIVERABLES]

(3.1) Key Personnel of the Supplier to be involved in the Services [and deliverables]: [REDACTED]

(3.2) Performance Standards: Fortnightly Catch ups to be held to check progress

(3.3) Location(s) at which the Services are to be provided: Online

(3.4) Quality Standards: Final product is to be quality assured to ensure accuracy.

(3.5) Contract Monitoring Arrangements: 3 Steering group meetings during the project to be hosted

4. CONFIDENTIAL INFORMATION

(4.1) The following information shall be deemed Commercially Sensitive Information or Confidential Information: NA

(4.2) Duration that the information shall be deemed Commercially Sensitive Information or Confidential Information: NA

BY SIGNING AND RETURNING THIS ORDER FORM THE PROVIDER AGREES to enter a legally binding contract with the Customer to provide the Service specified in this Order Form together with, where completed and applicable, the mini-competition order (additional requirements) set out in section 2 of this Order Form. Incorporating the rights and obligations in the Terms and Conditions set out in the Framework Agreement entered into by the Provider and The Department for Science, Innovation and Technology and any subsequent signed variations to the terms and conditions.

For and on behalf of the Supplier-

Name and Title	[REDACTED]
Signature	[REDACTED]
Date	15 April 2024

For and on behalf of the Customer-

Name and Title	
Signature	

Date	
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ANNEX A

Customer Project Specification

Futures Procurement Framework Funding Pilot – Invitation to Tender, March 2024

Project Title:	Simulation Modelling for Horizon Scanning
Key Customer:	Business Strategy Analysis, Department for Work and Pensions (DWP)
Project Manager (name and email address):	[REDACTED] [REDACTED]
Invitation to Tender issued	07/03/2024
Date proposals due to DWP	15/03/2024
Decision on contractor	22/03/2024
Project Start Date:	08/04/2024
Project End Date:	31/07/2024
Budget:	The maximum budget is £50,000.
1. Background	
<p>Business Strategy Analysis are a multi-disciplinary analytical team focussed on producing evidence to inform us how services are currently being delivered and the future direction. This is used to help plan the Departmental strategy for the future – to tell us how we should be providing services to maximise efficiency whilst also maximising customer satisfaction. Our focus is on service delivery ie: how we delivery services rather than what services are delivered.</p> <p>We are developing our Foresight and Futures analysis and have started to use this to inform our long term Strategy for the business. Futures analysis of demographic, technological and economic trends was used as a backdrop for our 2030 Business Strategy. However we would like to develop tools to link the potential impact of future changes/scenarios back to what it they could mean for the business.</p>	
2. Aims and Objectives of the Project	

The department is facing some big challenges in the future that is going to impact how we deliver services: for example, an ageing population can lead to higher labour market inactivity with a higher caseload but then technological advancements at the same time will change the skills required for work, how people find work, and therefore how we support people back into work.

We plan to create a proof-of-concept model that can be used to help plan out future conditions for the department. This could enable strategy colleagues in the department to understand how different scenarios may impact DWP, including how demographic changes will affect the labour market and economy in the future and how this will impact the department's ability to effectively

deliver its services in the future. The output would be a model where you can change inputs to see how this would impact demand in DWP – helping us to help resilience planning and crisis responses for the future.

This is a **simulation model** which looks at **future trends and the implications for DWP**.

Possible inputs:

- GDP per capita ([Gross domestic product \(Average\) per head, CVM market prices: SA - Office for National Statistics \(ons.gov.uk\)](#))
- Inflation ([Inflation and price indices - Office for National Statistics \(ons.gov.uk\)](#))
- Unemployment ([Unemployment - Office for National Statistics \(ons.gov.uk\)](#))
- Employment, unemployment and economic inactivity ([Employment and labour market - Office for National Statistics \(ons.gov.uk\)](#))
- Population demographics ([Population estimates - Office for National Statistics \(ons.gov.uk\)](#))
- Immigration ([Migration statistics - GOV.UK \(www.gov.uk\)](#))
- Health ([Health and social care - Office for National Statistics \(ons.gov.uk\)](#)) • Education ([Statistics: education and training - GOV.UK \(www.gov.uk\)](#))

Possible outputs:

- Caseloads ([Benefit expenditure and caseload tables - GOV.UK \(www.gov.uk\)](#))
- Budget ([dwp-spending-and-budget-2025.xlsx \(live.com\)](#))
- Fraud + Error ([Fraud and error in the benefit system - GOV.UK \(www.gov.uk\)](#))
- Disputes (can get PIP and ESA dispute statistics from [Stat-Xplore - Home \(dwp.gov.uk\)](#))
- Staff numbers ([DWP workforce management information - GOV.UK \(www.gov.uk\)](#))

All the data we plan to use will be publicly available – the specific variables that we'll look at will be determined from workshops with strategy colleagues. Work will then commence to look at the relationships between these variables and our performance metrics.

The outputs will provide us with an outlook on how the future looks which will be useful from a strategic and operational standpoint: this is strategically important to help manage our resources in the department to maximise the quality of our service. The final model will be used across the department to help map out future strategies.

3. Key Research Question

'What will the impact of future trends we have identified be on the business of DWP?'

The purpose of this is to then answer the question

'This is a possible future world and how can we prepare for it?'

4. Proposed Approach, Timetable and Outputs

Throughout the project we expect fortnightly catch up meetings with the contractor to discuss and monitor progress so we can address problems and three Steering Group meetings.

We expect the project to take three months and to be broken down in the following stages:

Phase 1 – Scenario workshops and Data Discovery work, 8th April – 8th May 2024.

Data discovery and the Scenario workshops should happen concurrently. Our initial thinking is that we should have a first workshop with wider policy and analytical stakeholders to brainstorm together then a second workshop with analysts to look at this in more detail. DWP will get the dates in diaries of relevant stakeholders and set up the two team meetings but the contractor is expected to develop the approach and facilitate the workshop.

Outputs: The workshops and the workshop write up into a user friendly PowerPoint document.

Phase 2 – Model Development, 8th May – 7th June 2024.

The contractor will then use published data on these variables to draw out the relationships and further work will be developed on which scenarios we want to play out. We expect a short report on these relationships.

Work will then be focused on creating the final model.

Outputs: A short paper on the relationships between variables and the model in excel

Phase 3 – Testing the model, June 2024

We expect the model to already come to us with robust checks on quality assurance, we will also do some of our own checks. We will test the model using historical data and by having a look on which future conditions are most problematic for the department. The contractor will produce a report on its methodology.

Output: A report on methodology (by mid July)

Phase 4 - Disseminating the model (by end July)

We expect the contractor to take the model to our stakeholders we used to organise workshops and explain how the model works.

Output: presentation to key stakeholders.

Please also cost for 3 Project Steering Group meetings – at the beginning, middle and towards the end of the project. They can be done by Teams.

5. Submissions of proposals and Evaluation Criteria

Please provide an outline of the following:

- a) Your understanding of the brief
- b) Your experience delivering similar models
- c) What you will be able to achieve with the model in the timescales provided
- d) How you would approach the Scenario workshops
- e) Your team and the proportion of time each member will work on the project
- f) Project costs for each of the outputs outlined above

Please submit your proposals to both [REDACTED] and [REDACTED] at the email address above no later than close of play on Friday 15th March 2024.

6. Evaluation Criteria

Evaluation Criteria for proposals

- 1) Experience of constructing this type of simulation model
- 2) Understanding the brief in terms of the purpose, it's scope and it's limitations
- 3) Understanding of macro indicators and other inputs (and DWP inputs)
- 4) Price
- 5) Staff team and their expertise, relative days provided by each.

We will notify you if you have been successful by close of play Friday 22nd March 2024.

