



Department
for Work &
Pensions

DEPARTMENT FOR WORK AND PENSIONS

STATEMENT OF REQUIREMENT

FOR

**Consultancy to deliver an Outline Strategic 5-year Business Plan
for the DWP Commercial Directorate**

V1.00

REFERENCE: TBC

1. PURPOSE

- 1.1 This document sets out the services the Department for Work and Pensions (DWP) requires for third party expertise to undertake analysis of the current Commercial organisation and deliver an outline 5-year strategic business plan that will enable the function to support DWP welfare reform objectives and future Spending Review plans.

2. BACKGROUND TO DWP

- 2.1 DWP, is a major Government Department responsible for customer delivery and policy formation on all aspects of the Government's welfare to work strategy and social security provision.
- 2.2 This includes the provision of welfare to work and social security benefits to individuals with health conditions and disabilities and those over working age. The Department has over 80,000 staff to deliver £165bn of payments annually, comprising of pensions, welfare to work and social security benefits.
- 2.3 For more information on the work and overall objectives of the Department, please view our single business plan, published at:

<https://www.gov.uk/government/publications/department-for-work-and-pensions-single-departmental-plan/department-for-work-and-pensions-single-departmental-plan--2>

3. BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT

- 3.1 DWP is creating a Departmental plan to set out how it will deliver and transform its services over the next 5 years. Over 40% of the Department's running costs is spent on third party goods & services, which the Commercial Directorate ("CD") and the Chief Commercial Officer, have the responsibility for procuring.
- 3.2 To support this ask, a 5-year strategic plan for the Commercial Directorate needs to be developed to review the current baseline position of our operating model, alignment to strategic goals of the Department and a roadmap to inform our blueprint and strategy moving forwards.
- 3.3 DWP require an independent third party to undertake a review of the current CD business plan and operating model and develop an independent, high level outline strategic business plan which will form the basis for completing the next iteration of DWP's Commercial Directorate blueprint.

4. THE REQUIREMENT

- 4.1 DWP's Commercial Directorate is comprised of circa 300 commercial professionals and is organised using a Category model. Five Commercial Categories are directly customer and market facing, with Performance and Insight and the In-Life Management Team providing cross-cutting expertise covering best practice, change, systems development, capability and a range of expert advisory services.
- 4.2 Commercial Directorate is responsible for circa £3B annual third party spend, is located across 5 hub locations and is a key part of the Government Commercial Function (GCF) and Government Commercial Organisation (GCO).

4.3 DWP Commercial Directorate require a third party to produce a strategic plan to support the delivery of DWP's goals:

1. Discovery Phase:

- The baseline position of how Commercial Directorate operate today, including Category Management Operating Model, Commercial Contract Management, Governance and Operational Supplier Management
- The priorities of the department going forward over the next 5 years, including predicted saving targets and any influencers from Government Commercial Organisation
- Other best practice, where relevant, from leading commercial functions including performance and insight team
- Insight from Commercial Directorate Senior Civil Servants, and other commercial colleagues with robust insight and clear views on future operating standards, alongside key business functions e.g. Finance, Digital, Estates, Health etc.
- Review of key documentation such as the current Commercial Directorate blueprint, Departmental plans and priorities, cross government commercial standards and operating model.

2. Articulating and Drafting the strategy:

- The output will be a high level outline strategic business plan, presented in a visual format. This will form the basis for completing the next iteration of DWP's Commercial Directorate blueprint
- The plan will be multi-dimensional and cover core themes such as, but not limited to, people, processes, systems, capability and technology.
- The plan should include recommendations and a transformation roadmap for proposed changes and requirements to enable Commercial Directorate to deliver against the departmental plan.
- The plan should clearly articulate the proposed organisational end state, with high level detail of each progressive phase.
- The strategy should contain a recommended next step plan.

3. Final Strategy and Sign off.

- The draft strategy should be presented to DWP no later than the 20th March 2020, at which point it will be reviewed by the contract lead, Chief Commercial Officer and other DWP members as directed by the contract lead.
- Changes / revisions will be feedback to the supplier within 5 working days and the final report is required to be delivered no later than the 30th March 2020 for sign off and acceptance on 31st March 2020.
- Timely delivery of this plan is of the essence of this contract as it is required to enable Departmental strategy and plans to take place. There is the potential for further work packages to follow this initial activity, however, no commitment is made at the current time.

5. PROJECT DELIVERABLES

5.1 The Supplier is required to meet 1 specific deliverable:

- a) Deliver a high level, outline strategic 5-year business plan for CD – see no 2, bullet 1 above. Along with design of final end state and transformation roadmap, with clear phases defined.

6. TIMESCALES

6.1 This activity should commence on Monday 2nd March 2020 and conclude on Tuesday 31st March 2020.

7. OTHER REQUIREMENTS

7.1 Staff used to deliver the service will be required to have been BPSS security clearance and provide non-disclosure agreements.

8. INTELLECTUAL PROPERTY

8.1 The materials, products and reports developed by the Supplier during the delivery of the Services will become the intellectual property of the Department, and will be freely able to be re-used within the Department for any future requirement.

9. LOCATION OF THE SERVICES

9.1 The base location for this project will be London. However, there will be a requirement to travel to DWP hub sites in order to meet stakeholders, these sites include but are not limited to; Blackpool, Sheffield, Leeds, Manchester and Newcastle.

10. DWP OBLIGATIONS

10.1 The Department will appoint a primary, senior, liaison point in Commercial Directorate to facilitate the delivery of the Services required by the Supplier. This will be REDACTED. The contract manager will be REDACTED.

10.2 The Department will provide access to the relevant stakeholders to enable the Supplier to undertake the review activity and deliver the Services. The Department will also provide administration support in order to co-ordinate DWP stakeholders, arrange appropriate meeting facilities and building access.

10.3 The Department and project team members will be available for update project meetings and feed into reports and review documents in a timely manner.

10.4 The Department will provide access to the relevant materials and information to enable the Supplier to perform the Services of the contract.

10.5 The Department will provide access to DWP premises for the Suppliers staff in order to deliver the Services.