

**Bid Pack**

**Attachment 3 – Statement of Requirements**

Contract Reference: CCCC20B53 Provision of Headhunter Services for Director of Contingent Liabilities Group and Chair of UKGI Board

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# PURPOSE

## This document sets out the conditions and intent of UK Government Investments (the “Contracting Authority”) in conducting an Invitation to Tender (“ITT”) for Executive Recruitment Services. The purpose of this ITT is to establish a contract with one or two Suppliers across two lots.

## Tenderers must ensure that they are familiar with the requirements of the Contracting Authority in seeking to respond to this ITT.

## Potential Providers must be aware that this is a multi-lot procurement and will require bids to be provided on one or both lots if the bidder meets the requirement to bid.

### **Lot 1** relates to the recruitment of a Director to lead the newly formed Contingent Liability Group (CLG) within UKGI, and potentially an Executive Director to lead the credit risk branch of the CLG.

### **Lot 2** relates to the recruitment of a Chair for the UKGI Board.

# BACKGROUND TO THE CONTRACTING aUTHORITY

## The Contracting Authority is a limited company wholly owned by HM Treasury formed on 1 April 2016. It is a cross-Whitehall resource located at 1 Victoria Street, SW1H and acts as a proactive, intelligent shareholder, working with Government departments and management teams to help Government-owned businesses perform better. It also acts as a centre of excellence and resource for corporate finance and corporate governance advice across Whitehall which includes commercial investments, special situations and the disposal of Government assets.

## UKGI’s principal objectives are to:

### Prepare and execute all significant corporate asset sales by the UK government;

### Advise on all major UK government financial interventions into corporate structures;

### Act as shareholder for those arm’s length bodies of the UK government that are structured to allow a meaningful shareholder function and for other UK government assets facing complex transformations (especially if governance is at the heart of a model change); and advise on major UK government negotiations with corporates.

## More information on UKGI is available at its website <https://www.ukgi.org.uk/>.

# Background to requirement/OVERVIEW of requirement

## The Contracting Authority is seeking Executive recruitment services to hire a Director to lead the newly created Contingent Liabilities Group (CLG) within UKGI, and potentially an Executive Director to lead the credit risk branch of the CLG.

## The Contracting Authority is also seeking to hire a new chair for the UKGI board.

## **Lot 1 -** The Contingent Liabilities Group will provide an advisory, monitoring and reporting role to HMT and Departments on existing and new contingent liabilities. The establishment of the unit is one of the recommendations of HMT’s March 2020 ‘Government as insurer of last resort’ report published as part of the Balance Sheet Review. As at 31 March 2019, HMG had c.£377bn of contingent liabilities. The central capability will be a newly formed function – the Contingent Liabilities Group (CLG) – within UKGI and is anticipated to go-live in April 2021.

## **Lot 2 -** The UKGI Board provides strategic direction and ensures UKGI is equipped to perform its functions, including having sufficient resourcing and a suitable organisational structure. The Board also enables effective arrangements to be put in place to provide assurance on risk management, governance and internal control. UKGI are looking for a Chair to lead the Board to ensure it is effective in setting and implementing the company’s direction and strategy.

# definitions

|  |  |
| --- | --- |
| **Expression or Acronym** | **Definition** |
| GDPR | means the General Data Protection Regulations |
| HMG | means Her Majesty’s Government |
| HMT | means Her Majesty’s Treasury |
| IPR | means Intellectual Property Rights |
| ITT | means Invitation to Tender |
| OCPA | means the Office of the Commissioner for Public Appointments |
| UKGI | means UK Government Investments Limited |

# scope of requirement

## The Supplier should be aware that Government appointments to UKGI are regulated by the Office of the Commissioner for Public Appointments (OCPA) and undertaken in line with the Governance Code on Public Appointments. <https://www.gov.uk/government/publications/governance-code-for-public-appointments>

## The Supplier will be responsible for the full range of executive search and selection activity. This will range from advising on advert placement, thoroughly researching the market place, identifying, approaching and engaging with candidates in relation to the role, long and short listing candidates and providing feedback to candidates.

## **Lot 1 –** The Contracting Authority is seeking a Director candidate with the following experience and attributes:

* Proven track record in a leadership role working within a financial risk environment, overseeing expert teams to deliver outstanding results and synthesising analysis to provide high quality advice and inform decision making on financial risk at scale
* Experience of evaluation, structuring and management of credit risk across a diverse range of sectors – with experience of general insurance risk desirable
* Demonstrable ability to successfully manage financial risk both at a portfolio level and in structuring significant new individual exposures in a commercial environment, including directly exercising personal judgement and expertise on a highly diverse range of issues
* Experience in the interpretation of the results of modelling and stress testing portfolios of financial risks including the evaluation of market risk and advising on actions to manage risk exposure
* Demonstrable success at building and managing effective teams, attracting and retaining talented individuals as well as taking an active role in developing and mentoring at all levels.
* Outstanding communication and interpersonal skills, and the ability to demonstrate a high degree of professional credibility, maintaining the confidence of the UKGI Board, HM Treasury, Ministers and external stakeholders
* Proven experience of delivering through people by collaborating and leveraging relationships and building capability
* Adept at building networks and able to influence senior stakeholders

## The Contracting Authority may also appoint an Executive Director to lead the Credit Risk branch within the CLG from the shortlist of candidates developed for the Director position if appropriate candidates are put forward. The Contracting Authority does not anticipate that a separate targeted search will be necessary for this position.

## **Lot 2 –** The Contracting Authority is seeking candidates to chair its Board with the following experience and attributes:

**Essential Experience**

* An outstanding record of achievement; someone with strong personal credibility who has wide organisational leadership experience.
* Excellent communication skills, with an empathetic approach. Able to navigate complex relationships and build strong, productive and effective long-term partnerships externally and within UKGI’s portfolio, in order to optimise its unique operating model.
* Deep experience of working on Boards and governance best practice, as Chair or, exceptionally, SID.
* Experience of working with government, an Arm’s Length Body or related body.
* Proven financial skills and significant experience of large transactions (M&A, capital raising); background in corporate finance preferred.
* Proven record in championing diversity.

**Desirable Experience**

* Wide experience of different businesses and business models gained through direct high-level executive experience or through consulting or advisory roles.
* Experience of leading and managing high performing advisory/consulting teams.

**Essential attributes**

* Ability to cope with multiple stakeholders and ambiguity.
* Demanding and capable of holding CEO to account but with effectiveness underpinned by an empathetic approach.
* Ability to understand and promote UKGI culture and values.
* A listener, team player, low ego, capable of influencing rather than directing.
* Undoubted integrity, with an understanding of, and personal commitment to, the Seven Principles of Public Life.
* Politically astute.

5.4 Given the unique requirements of the roles it is expected that the Suppliers will develop a highly tailored search process, across multiple channels.

# The requirement

## **Lot 1 – Executive searches for Director (and, possibly, Executive Director)**

##  The Contracting Authority requires the following services for this executive search:

### Advice on advert design, candidate pack and media placement;

### Market research and use of networks to source candidates;

### Weekly updates on progress

### Receipt, administration and processing of applications (including provision of diversity and equality information);

### Ad hoc discussions with the Buyer on candidates and sifting of applications to produce a shortlist of recommendations to the Buyer;

### Conduct due diligence checks of shortlisted candidates based of the requirements of the Code of Conduct for Board Members of Public Sector Bodies (<https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>);

### Assistance with preparation for final interviews (which will be conducted by the Buyer) and response handling;

### Undertake relevant searching of candidates, including obtaining references as required; and

### Inform candidates of outcome, provide feedback to unsuccessful candidates

## The Buyer will be responsible for providing the job profile and undertaking the interviews.

## The Buyer will retain the shortlist, subject to GDPR compliance, with discretion to make appointments from this list for up to a period of twelve months post completion of the recruitment exercise. In particular, the Contracting Authority may appoint an Executive Director to lead the Credit Risk branch within the CLG from the shortlist of candidates developed for the Director position if the appropriate candidates are put forward. The Contracting Authority does not anticipate that a separate targeted search will be necessary for this position.

## **Lot 2 – Executive Searches for Chair of UKGI Board**

## The Contracting Authority requires the following services for this executive search:

### Advice on advert design, candidate pack and media placement;

### Market place research and use of networks to source candidates;

### Weekly updates on progress;

### Receipt, administration and processing of applications (including provision of diversity and equality information); including applications submitted via the Cabinet Office Public Appointments website;

### Sifting of applications to produce a longlist of recommendations to the Contracting Authority, interviews of longlisted candidates to provide the recommended shortlist;

### Conducting of due diligence checks of shortlisted candidates based on the requirements of the Code of Conduct for Board Members of Public Sector Bodies and as agreed with the Contracting Authority. (<https://www.gov.uk/government/publications/code-of-conduct-for-board-members-of-public-bodies>);

### Assistance with preparation for final interviews (which will be conducted by the Contracting Authority) and response handling;

### Have ad hoc discussions with the Contracting Authority on candidates;

### Attend longlisting and shortlisting meetings with the appointment panel and any meetings with Ministers if required;

### Undertake relevant searches on Candidates, including obtaining references as required; and

### Inform Candidates of outcome, provide feedback to unsuccessful Candidates.

## The Contracting Authority will be responsible for providing the role specification, undertaking the interviews and the provision of a due diligence template.

## The Contracting Authority will retain the shortlist, subject to General Data Protection Regulations (GDPR) compliance, with discretion to make appointments from this list for up to a period of 12 months post completion of the recruitment exercise.

# Diversity and Inclusion

## The Contracting Authority values a diverse workforce and inclusive culture where all employees feel included, empowered and able to bring their full selves to work. Employing people from different backgrounds and with unique and different experiences and perspectives helps the Contracting Authority develop better ideas and to be a stronger and more successful business. It also supports and strengthens the Contracting Authority’s culture and reinforces the company as a great place to work. The Contracting Authority’s goal is to be a company which is open and accessible, recruiting unique, diverse and talented people.

## This includes signing up to the Women in Finance Charter - <https://www.ukgi.org.uk/who-we-are/women-in-finance-charter/>, and inclusion efforts focus on:

### Leading and managing inclusively;

### Creating opportunities that enable development and learning; and

### Creating a work environment where all staff feel involved and valued.

## The Supplier will ensure an understanding of and fully support the Contracting Authority’s requirement for a diverse and inclusive campaign. This should include developing innovative strategies which succeed in developing a strong and diverse candidate pool for the role. The Contracting Authority will require the candidate pool to be demonstrably strong and diverse before agreeing to proceed to long-list/short-list.

## The Supplier shall have an equality and diversity policy which addresses the prevention of unlawful discrimination and promotes equality and diversity within their own workforce and candidate pool.

## The Supplier shall commit to the highest ethical and professional standards in all of its activities and maintain high standards in relation to compliance with all current equality legislation.

## The Supplier shall commit to focusing its employment procedures and practices on maximising the potential of each of its employees.

# Candidate Care and Due Diligence

## By their nature, public sector appointments are subject to a high degree of oversight by officials and ministers at all stages of the process and this can result in a longer appointment timescale than might be expected in the private sector. The Contracting Authority will aim to minimise any delays but suppliers will be expected to manage candidates during the appointment process and avoid wherever possible candidates withdrawing. It is vital that candidates are not informed of the outcomes of sift or interview stages until ministers have agreed to appointment recommendations.

## Additionally, it is important that public appointments do not lead to embarrassment for the Government and departments need to be confident that potential candidates meet the requirement of the public role they apply for including any potential issue with respect to the seven principles of public life. Candidates must be aware of the importance of declaring any actual or potential conflicts and they should be given opportunities to do so e.g. in the declaration form, ahead of interview and at interview.

## In addition to declarations by candidates, suppliers will be expected to conduct appropriate candidate due diligence, including referencing during the appointment process including prior to interview.

# key milestones and Deliverables

## **Lot 1 -** The following Contract milestones/deliverables shall apply (may be discussed and agreed with Supplier):

|  |  |  |
| --- | --- | --- |
| **Milestone/Deliverable** | **Description** | **Timeframe or Delivery Date** |
| Diverse pipeline of candidates  | The Supplier will ensure an understanding of and fully support the Buyer’s diversity and inclusion strategies and requirements for each role or campaign. This should include developing innovative strategies which succeed in contributing towards diversity targets  | Immediately  |
| 1 | Placing of advert and begin search | Within 2 days of contract award  |
| 2 | Closing date for applications | 3 Weeks from Placing Advert |
| 3 | Provide details of candidate pool with gradings / long-list recommendations | 2 Days after Closing Date |
| 4 | Prepare short-list report for short-list meeting. Agree short-list.  | Within a week of advert closing  |
| 5 | Prepare interview guidance, suggested questions, undertake candidate due diligence and provide candidate profiles | Within 5 working days of scheduled interviews |
| 6 | Panel interviews undertaken | As Agreed with Supplier |
| 7 | Final due diligence and searches on appointable candidates undertaken (including references). Candidates appointed. | 1st April 2021 |

## **Lot 2 -** The following Contract milestones/deliverables shall apply (may be discussed and agreed with Supplier):

|  |  |  |
| --- | --- | --- |
| **Milestone / Deliverable** | **Description** | **Timeframe or Delivery Date** |
| Diverse pipeline of candidates  | The Supplier will ensure an understanding of and fully support the Buyer’s diversity and inclusion strategies and requirements for each role or campaign. This should include developing innovative strategies which succeed in contributing towards diversity targets  | Immediately  |
| 1 | Recruitment agent placing of advert and begin search  | By 15 January 2021 |
| 2 | Closing date for applications | 4 Weeks from Placing Advert (subject to sufficient applications and diversity, if this is lacking, we will extend the deadline up to 2 weeks) |
| 3 | Provide details of candidate pool with gradings / long-list recommendations | 3 working days after Closing Date |
| 4 | Panel review long list of candidates and complete due diligence | As agreed with Supplier |
| 5 | Prepare short-list report for short-list meeting | Within 10 days of advert closing  |
| 6 | Panel review short list of candidates and SpAds to complete due diligence. Ministers consulted on the quality and diversity of the field of candidates | As agreed with Supplier. |
| 7 | Prepare interview guidance, suggested questions, undertake candidate due diligence and provide candidate profiles | Within 5 working days of scheduled interviews |
| 8 | Panel interviews undertaken | As Agreed with Supplier |
| 9 | Final due diligence and searches on appointable candidates undertaken (including references). Ministers to make a decision on the appointment.  | As Agreed with Supplier |
| 10 | Candidate appointed | July 2021 |

# MANAGEMENT INFORMATION/reporting

## During the delivery of the Services, the Supplier will provide regular (weekly, or as agreed with the Contracting Authority) updates on the recruitment exercise. The Supplier will also provide all cost updates in advance for sign-off, prior to submitting an invoice for payment.

# volumes

## The Buyer is seeking to make up to two appointments from Lot 1 and up to one appointment from Lot 2. This is not a guarantee of volumes during the contract term.

# continuous improvement

## The Supplier is encouraged to continually improve the way in which the required Services are to be delivered throughout the Contract duration.

## The Supplier is encouraged to present new and/or innovative ways of working to the Contracting Authority during regular project review meetings.

## Changes to the way in which the Services are to be delivered must be brought to the Contracting Authority’s attention and agreed prior to any changes being implemented.

# Sustainability

## N/A

# quality

## The Supplier will be expected to undertake robust quality assurance while delivering the Services, especially before sharing content with the Customer or publishing content publicly to deliver the Contract services. In turn, the Customer will provide regular feedback on the Supplier outputs, which are expected to be incorporated into further revisions of the Services.

# Price

## The payment model for both lots of this campaign will follow a percentage-based schedule of 25% retainer, 25% payable upon acceptance of a shortlist and the remaining 50% upon a candidate whom the supplier introduced accepting an offer.

## If a suitable Executive Director is identified under Lot 1 in addition to the Director position depending on the short-list of candidates put forward, this will be as an additional appointment from the shortlist prepared for the Director position. No additional retainer or shortlist payments will be due for the Executive Director position.

## Expenses incurred by the Supplier will not be met by the Contracting Authority. Additional costs incurred for placement of adverts in agreed media will be reimbursed separately to the recruitment exercise cap agreed, where such agreement for costs is confirmed in writing with the Contracting Authority prior to their being incurred.

## In the event that the Supplier cancels a recruitment campaign at any point, the supplier will remain entitled only to any payments that had become due at the time the campaign was cancelled.

# STAFF AND CUSTOMER SERVICE

## 16.1 The Supplier shall provide a sufficient level of resource throughout the duration of the Contract in order to consistently deliver a quality service.

## 16.2 The Supplier’s staff assigned to the Contract shall have the relevant qualifications and experience to deliver the Contract to the required standard.

## The Supplier shall ensure that staff understand the Contracting Authority’s vision and objectives and will provide excellent customer service to the Contracting Authority throughout the duration of the Contract.

# service levels and performance

## The Buyer will measure the quality of the Supplier’s delivery across both lots by:

|  |  |  |  |
| --- | --- | --- | --- |
| KPI/SLA | Service Area | KPI/SLA description | Target |
| 1 | Delivery timescales | Services to be delivered within timescales as agreed as part of the project plan at paragraph 9.  | 90%.  |
| 2 | Handling of candidates | Unsuccessful candidates to be handled sensitively and promptly at each stage of the process.  | Absence of any complaints.  |
| 3 | Diversity of long- and short-list | Long—listed candidates recommended for short list plus border line candidates (i.e. excl, fishing and irrelevant applications responding to advert) will include at least 14% BAME candidates and at least 50% of candidates that identify as female*In meeting these targets, the Supplier is required to provide a comprehensive plan to achieve the target and identify possible channels with regular reporting against progress ahead of lists being finalised.* | 14% BAME50% Female |
| 4 | Quality | 50% of shortlisted candidates deemed suitable for interview by the Customer.  | 50% invited to interview |

## In the event of the Supplier not meeting the SLA or contractual milestones, the Contracting Authority will have the discretion to seek a performance improvement plan from the Supplier, to seek to remedy the issues. This does not replace or prevent the Contracting Authority from using any contractual rights as per the Contract.

# Security and CONFIDENTIALITY requirements

16.1 On occasions that the Supplier visits the premises of the Buyer they will abide by the security provisions in place and agree to being escorted at all times whilst on the Buyer’s premises.

16.2 In respect to data security, the Supplier will need to demonstrate annual compliance with the Cyber Essentials framework

(https://www.ncsc.gov.uk/cyberessentials/overview) as a minimum. The successful Supplier will be expected to comply with all necessary aspects of the Information Commissioner’s Office guidance on GDPR and Data Protection Act 2018. See Attachment 2 for information on how this will be assessed in this procurement.

# payment AND INVOICING

## Before payment can be considered, an invoice detailed name of successful candidate must be supplied.

## Invoices should be submitted to: UKGIFinance@ukgi.org.uk.

# CONTRACT MANAGEMENT

## Attendance at Contract Review meetings shall be at the Supplier’s own expense.

# Location

## The location of the Services will be carried out at the Supplier’s premises. Meetings with the Contracting authority on individual recruitment exercises and contract management meetings may take place at the Buyer’s premises as directed by the Buyer. This may be subject to change due to COVID-19 restrictions and will be discussed when meetings are required.