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Department
for Work &
Pensions

Call-Off Schedule 20 – Call-Off Specification

Contract Reference: EMS-13791-2021

Department for Work and Pensions

Lease and Landlord Management Services

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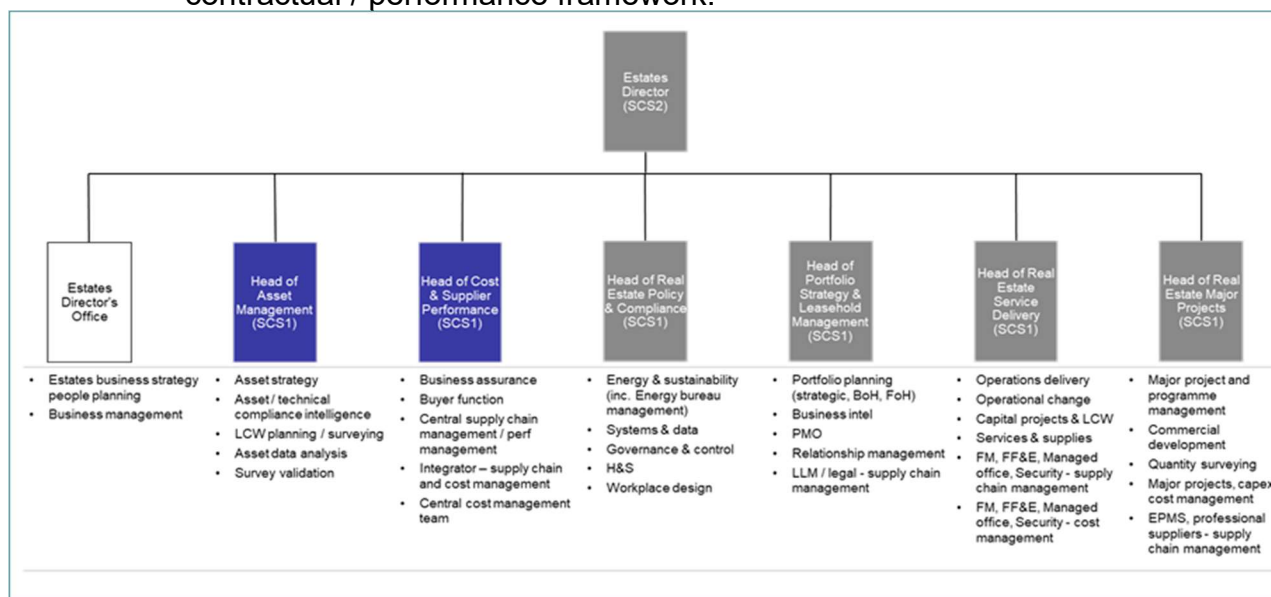
1.0. Introduction

1.1. Background to the Contracting Buyer

- The Buyer (Department for Work and Pensions) (**“the Buyer”**) is a central Government department which is responsible for community welfare, pensions and child maintenance. The Buyer has an estate of circa 1000 buildings, from which 100,000 employees deliver over £20 million payments per day to millions of customers all over GB.
- The Buyer organisation is split into seven groups which, from 15 March 2021, are:
 - Change and Resilience;
 - Digital;
 - Finance;
 - People, Capability and Place;
 - Policy;
 - Service Excellence; and
 - Work and Health Services.
- The Buyer’s Estates team is within the People, Capability and Place group and is led by the Director of Estates. It is currently structured into the following Service Lines:
 - 1.1.1.** Portfolio Strategy & Leasehold Management (PS&LM): responsible for the strategic and future planning of the Buyer Estate, aligning closely with senior representatives of the wider Buyer organisation to understand their strategic requirement, providing business intelligence, undertake scenario planning and feasibility assessments factoring in demand and driving the portfolio agenda, it also manages the implementation of the property strategy and manages the Buyer leases via the LLM & Legal supply chain;
 - 1.1.2.** Service Delivery: ensures the day to day needs of the Buyer Estate are met, oversees Buyer interfaces on site, drives lifecycle, minor projects and oversees asset management, have performance, budget, and audit responsibilities of the Buyer’s Supply Chain Members and liaising with the Buyer;
 - 1.1.3.** Major Projects: responsible for the end to end delivery process of major projects outside of the realm of the operational Service Delivery projects from inception to completion, delivering projects on budget, on programme, and to a high standard of quality across The Buyer’s Estate managing the Buyer’s Assets in conjunction with the strategic portfolio plan;

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- 1.1.4.** Policy and Compliance: provide assurance and control through subject matter expertise in finance, policies, processes, sustainability, and Health and Safety. It is accountable for standards, statutory management, governance, design standards and mapping of end to end working practices; and
- 1.1.5.** Director's Office: Support organisational management, communication across the Buyer organisation and interfaces across People, Capability and Place.
- 1.1.6.** Asset Management is responsible for overall asset management across The Buyer Estate, setting of asset strategy, provision of asset data assurance and/or compliance and project and/or life cycle works prioritisation.
- 1.1.7.** The asset management Service Line will provide a key interface across PS&LM, Service Delivery, Major Projects and Policy & Compliance to ensure assets are managed to meet compliance requirements and are aligned to the Buyer Estates strategy.
- 1.1.8.** Cost & Supplier Performance: responsible for establishing and driving governance, control, performance, consistency, and accuracy of the end to end cost and financial management and policy compliance; lead and manage the supply chain relationship, providing ongoing performance and risk management of the Supplier against the agreed contractual / performance framework.



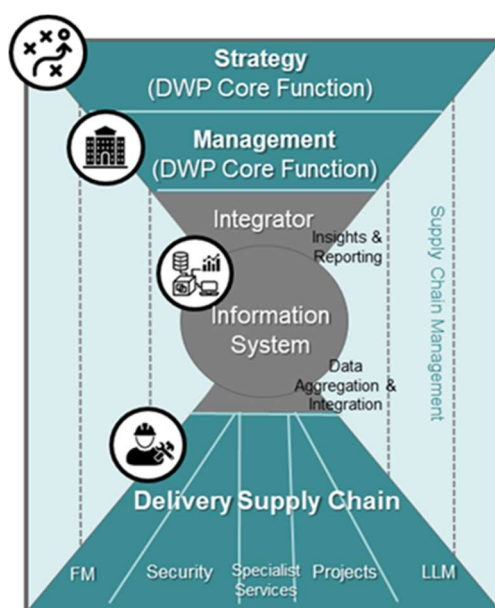
Estates Organisation Structure – Figure 1

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1.2. Supply Chain Integrator

The Buyer's operating model currently includes a Supply Chain Integrator (see *Figure 2*). The Supply Chain Integrator is independent from the Buyer's Supply Chain and provides an aggregated data, reporting and systems service. The Supply Chain Integrator is responsible for:

- (a) providing a single up to date and accurate version of all Buyer data and information, including a master asset registers;
- (b) reporting holistically across the Buyer's Estate and Estate Services;
- (c) processing all supply chain invoices for payment;
- (d) providing a helpdesk to the Buyer's workforce for all Estates' related problems/incidents/maintenance; and
- (e) providing a CAFM system and process for the creation, dissemination, management, and closure of work orders between the Buyer and Buyer Supply Chain Members



Estates Supply Chain Integrator Operating Model – Figure 2

Additional Information

1.3. The Portfolio

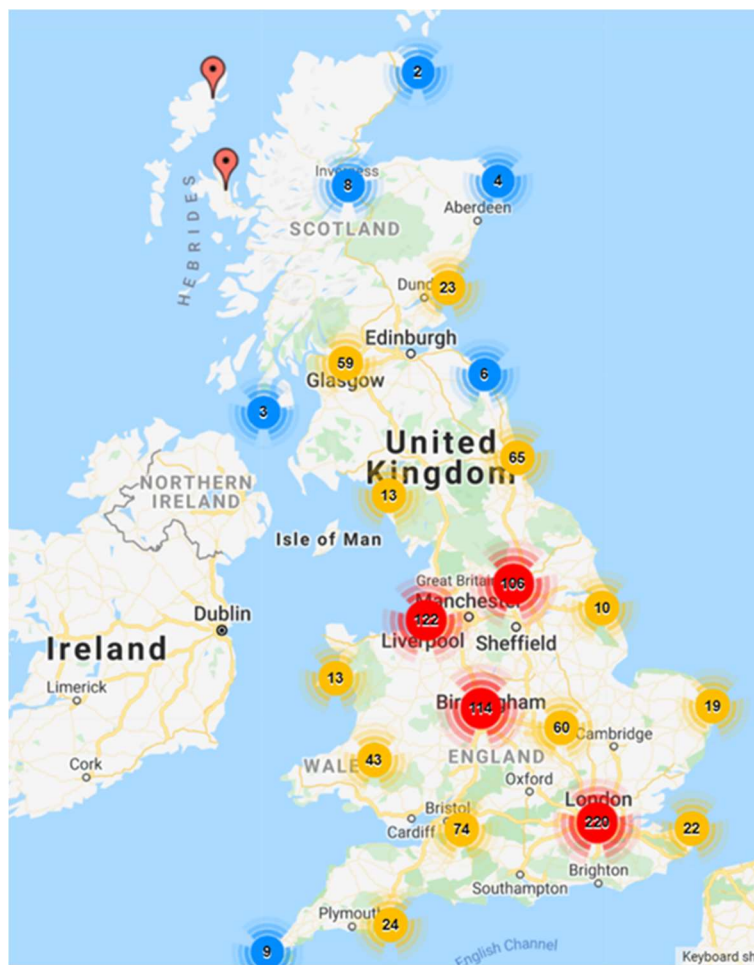
- The current number of properties is 1,027 with a total 1,750,285sqm. The average facility size is 1,700 m2 and ranges from 50 m2 to 34,400 m2; and;

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- In addition to commercial (market set rates) leased properties, the Buyer also occupies a number of sites as either the minor or major occupier with/to third parties (mainly Local Authorities and Other Government Departments (OGD) under a lease, licence or Memorandum of Terms of Occupation (MOTO) arrangement.
- The information provided should be used as a guide only and is not a guarantee of volumes of works.

1.4. Location

- The location of the Services will be carried out at nationally.
- The below map (*Figure 3*) provides an indication of the density of the portfolio as at 31/12/2021.



Heat Map of location of properties - Figure 3

1.5. Future Portfolio

The Buyer's estate is subject to change in accordance with Joint Schedule 2 – Variation Form. There is a current expectation that some of the portfolio

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will be divested in 2023. However, portfolio numbers may change depending on the Buyer estates strategy at that time and the Buyer gives no guarantee of the number of properties in the Buyer's estate during the term of the Contract.

- The property list within Annex 4 provides details of the Properties the Buyer currently envisages will be occupied on 1st September 2022, however, this is subject to change.

1.6. Work Orders

- All instructions to the Supplier will generally be by way of a Work Order issued to the Supplier via the system provided by the Supply Chain Integrator, please refer to Call-Off Schedule 5 – Pricing Details POs are raised at the start of each financial year for Core Services and cover the period April to March. For Call Off Services Work Orders will be raised on ad-hoc basis as and when works are required.

1.7. Volumes

The table below contains a breakdown of work order types since the current LLM contract commenced 1 April 2018 to 31 December 2021.

Summary of Lease Management Work Orders by Services Required	
Core	
Landlord & Lease Management (reactive)	7408
Landlord Consent	527
Neighbourly Issues	194
Wayleaves, Rights of Access and easements	21
Break Options	9
Total	8159
Call-Off	
Acquisitions (site search & negotiations)	248
Building Surveying Services	201
Rent reviews – where Buyer is the Tenant or Landlord	191
Lease renewals – where Customer is the Tenant or Landlord	146
Town Planning	69
Dilapidations – where Buyer is the Tenant or Landlord	62
EPC Certificates	39
Lease re-gears and lease break buy-outs – where Buyer is the Tenant or Landlord	25
Strategic Advice	20
Disposal	17
CPO	16
Valuations	10

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Party wall awards	8
Daylighting/sun-lighting/rights of lights	2
Total	1054

Please note that the activities under the sub-headings of Core and Call-Off do not reflect the new requirements within this Specification.

- The approximate numbers for all work order activity in the previous contract period (from 1 April 2018 – 31 December 2021) was 9213. The call-off work orders represented approximately 1054 during the contract time period of between 1 April 2018 – 31 December 2021. The above volumes provided are indicative only. The Buyer gives no guarantee these volumes will be realised.

1.8. The Buyer's Role

1.8.1. The Buyer shall be the recipient of the Services and will be responsible for setting business requirements. In addition, the Buyer will manage the Contract, provide policy in relation to the Buyer's estate, including occupier policy such as energy consumption targets and other sustainability related issues and communicating the strategy for the Buyer's estate including footprint planning and acquisition and disposal strategy.

1.8.2. The Buyer will be responsible for:

- setting the policy for commercial governance and financial approval
- budget management
- stakeholder engagement.

2.0. Scope of Requirement

2.1 Overview

2.1.1. This Specification defines the Services to be provided by the Lease and Landlord Management (LLM) Supplier ("the Supplier").

2.1.2. This Specification should be read in conjunction with the other schedules within the Contract to form the Buyer's full-service requirements.

2.1.3. The Core Service requirement is for a single Supplier to provide national coverage, during a four (4) year and five (5) month term contract with the option to extend for a further 12 months.

2.1.4. Where incidental and necessary services, functions or responsibilities are not specifically set out in this Specification, but would be required in

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order to comply with industry standards and regulations, they shall be deemed to be included in the scope of Services. For the avoidance of doubt, should this be the case, no additional fees or payment shall be due from The Buyer in relation to such incidental Services, functions or responsibilities.

- 2.1.5.** Specifically, the Supplier will provide a property related Finance function (assure, make and receive payments due for rents, rates, insurances, and service charges) property administration team (active management of leases); and a property events team (provision of estates professional services such as lease negotiations, lease renewals, surveyors and preparation of reports/advice such as space utilisation/optimisation and development gain).
- 2.1.6.** The Buyer will be required to deliver a range of property related services including but not limited to the following. Please note the Buyer requires the delivery of all the following Services from RM6168 – Total Estate Management - Lot 1:
- Estate, Asset and Property Management
 - Treasury Services
 - Estate Management Support Services
 - Agency and Lease Management
 - Studies and Surveys
 - Valuations
 - Business Rates
- 2.1.7.** It is recognised that Legal input may be required in relation to each of the requirements set out in section 3.0. The Buyer will be procuring a Legal services provider to provide Legal input, in relation to the LLM requirement. The successful Supplier will be required to work with the Buyer's appointed Legal Services provider when delivering these requirements.
- 2.1.8.** In respect of occupation agreements with Other Government Departments (OGDs), the Supplier will be required to provide the full range of Services in respect of these properties. The Supplier will discharge all Services, when instructed to do so, directly or in support of the Buyer's staff, helping them reach agreements with Local Authorities and OGDs and discharge such arrangements.

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3.0. The Requirement

- 3.1.** Delivery: In discharging their responsibilities of the contract the Supplier will undertake the Core Services listed at paragraphs 4.1 to 4.16 on a regular basis and activities (based on property events) listed at paragraphs 5.1 to 5.19 on a call off basis on receipt of a Work Order from the Buyer or their nominated representative.
- 3.2.** The Buyer will formally instruct the Supplier in the form of a Work Order. The Supplier must not carry out or complete any activity without a valid Work Order. Any activities that have been undertaken without a valid Work Order will not be processed for payment.
- 3.3.** The activities below (4.1 to 4.16) are for the Core Services that should occur on a regular basis.

4.0. Core Services

4.1. Account Management

4.1.1. Availability of service

The Supplier is to ensure that the Core Services are available on Working Days between the hours of 9:00am to 5:30pm.

4.1.2. Management of Contract

The Supplier will be required to appoint an account manager and other employees to support the delivery of this contract. Account and technical personnel requirements are defined in section 9.1 and for finance personnel requirements section 6.4.

4.1.3. Contract Risk Management

The Supplier will be required to develop and maintain a risk register for the Buyer's approval prior to review in the Operational Board meetings. The Supplier shall support the Buyer's risk and control frameworks. Refer to Annex 5 for extract from Risk Framework.

4.1.4. Co-ordinate Call Off Services

The Supplier is to ensure that Core and Call Off Services are co-ordinated to provide a 'joined-up' service.

The Supplier is to provide a named, appropriately experienced senior lead for each call-off service responsible for managing the performance of the service and monthly reporting of activity.

The Supplier is to ensure that the following programmes of work have a single point of contact to be responsible for the coordination of the Services reporting and attendance at governance meetings.

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a) rent reviews 2023/24 - There are several leases with reviews in 2023/2024, please refer to Annex 4.

b) March/April 2023 lease breaks & expiries, please refer to Annex 4.

The Buyer intends to terminate leases on a number (circa. 20 - 50) of properties in 2023.

c) 'REEP' leases – There is also the potential for break notices being served terminating leases on premises acquired as part of the response to the pandemic in 2024/25, please refer to Annex 4.

d) Critical Security Installations across circa 600 sites.

e) Electric charging Vehicle (ULEV) across circa 120 sites.

4.1.5. Governance meetings

The Supplier will be required to attend formal meetings which will include but are not limited to those listed in section 9.0, plus informal update meetings as required.

4.1.6. Portfolio Reporting

The Supplier will be required to produce update reports including but not limited to those identified in the SLA (Service Level Agreements) dashboard, within Call-Off Schedule 14 Service Levels. Please note that the Buyer is currently in the process of mobilising a new Integrator services contract and the full suite of reporting is being developed. The Buyer reserves the right to amend and alter the reporting requirements throughout the term of the contract.

4.2. Property Management

4.2.1. The Buyer may order advice on all aspects of estate and property management to support in the delivery of their statutory, regulatory and business objectives.

4.2.2. The Supplier will be required to contribute to and support the drafting of papers for internal the Buyer and other Government approvals including National Property Control submissions, as part of a particular instruction e.g. acquisition.

4.3. Data Management

4.3.1. Property Management database maintenance

- The Supplier will be responsible for managing the Buyer's estate information within their own Property Management System or database ensuring that its management and maintenance is real time, and that it must interface and be compatible with the Buyer's or their supplier's system(s) or database(s) for the estate if required. In the event that the

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Supplier's system is incompatible, the Supplier shall work to develop a compatible solution within the mobilisation period at no cost to The Buyer. The Buyer will be expected to co-operate with any 3rd party and or Buyers Supply Chain Integrator as deemed part of the Core Services.

- The Supplier should refer to Call-Off Schedule 6 ICT Services for further interface details. The property management system must include as a minimum, all lease details including critical event dates, Landlord details, basic property details, tenure, year of construction (where possible), lease payment details with the ability to run real-time reports as required, both regular reports and ad-hoc or bespoke.
- The Supplier must ensure the data is accurate and kept up to date, working with the legal supplier to ensure new legal agreements are uploaded in accordance with the Service Level Agreements.
- The Supplier will be required to produce reports at property and at head lease and sub lease level and feed data to the Buyer and/or the Buyer's Integrator as required.
- Once per Quarter, the Supplier may be required to assist the Buyer in the production of an occupancy report per site detailing the percentage space utilised and making recommendations for optimising this space through space consolidation, sub-letting or changing the usable purpose of the space to better manage the rateable value of the property (Occupancy Report).

4.3.2. Data Integration and Consolidated Reporting

- The Supplier shall configure, retain, maintain and interface with the Buyer Supply Chain Integrator such data as it is reasonably possible to obtain through the normal execution of the requirements of this contract to support the Supply Chain Integrator to produce a range of reports utilising the master data held in the Supplier system. This shall include (but not be limited to) reports such as:
 - (a) ePIMS (or its replacement). While the Supply Chain Integrator will be responsible for inputting into ePIMS the Supplier will be required to provide the information.
 - (b) All lease information including subleases, head leases, Landlord information, business rates, rents payable, lease/sub-lease options and public sector occupancy agreements
 - (c) Where available, site level meta data including (but not limited to);

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- (i) NIA
- (ii) Lease Overview - including end/break dates
- (iii) Geography/Locations
- (iv) Income
- (v) FY Rent by Space
- (vi) FY Rates by Space
- (vii) FY Service Charge by Space
- (viii) Rent FYF by space
- (ix) Desk Numbers
- (x) GIA

4.3.3. Data Assurance

- The Supplier will support the Buyer's programme of assurance and audit checks on data held in the Suppliers Property Management System by:
 - (a) Monthly Variance Checks – the Supplier will be required to produce monthly reports showing changes to data fields during the previous month and explain changes.
 - (b) Quarterly Lease Audit – the Supplier will undertake quarterly data checks on c100 properties per quarter as requested by the Buyer and report back on findings, making any changes to the data system promptly.
 - (c) Funding Request Audit – the Supplier will provide documentation containing information that will enable the Buyer team to carry out audits , not limited to for example, invoices with their calculations in support of the Buyer LLM Teams audit of lines within funding requests timely, c 3 audits per regular funding request and c15 per quarterly request.

4.4. Landlord Consents

- 4.4.1.** Ensure that the Buyer's position as Landlord or Tenant is fully protected through the appropriate seeking, granting or use of licences, written

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approvals, consents, insurances etc for changes the Buyer may wish to make with respect to the operation within the building e.g. revised opening hours, security, Facilities Management arrangements and those arising from service providers e.g. BT.

- 4.4.2.** The Supplier will be required to liaise with project teams and other Suppliers and provide full analysis and recommendations on lease amendments, required documentation, service charges and other potential claims including the results of any Landlord or Tenant negotiations or negotiations with third parties, which prove necessary.
- 4.4.3.** This may involve discussions with Landlords, OGD's (MOTOs), Local Authorities and other public bodies (COLOs).
- 4.4.4.** The Supplier should create a tracker, to monitor, update and report on progress of all landlord consents across the Buyer estate.

4.4.5. Landlord Consent Programmes

Table below shows approximate volumes of Landlords consents.

****Please note that there will be greater volumes than shown in the *Table 2* where the supplier will need to advise whether consent is required.**

The table indicates likely numbers where a formal application for consent will be required.

	2022/23 (Oct – March)	2023/24	2024/25	2025/26 (March – Oct)
Lifecycle	20	20	20	20
Electric Vehicle Charging points	80	0	0	0
Other	10	10	10	10
Critical Security Installations	50	50	50	50

Table 2 – Approximate number of Landlord consents

The above programmes should be managed as projects with a project lead responsible for reporting and attendance at regular governance/progress meetings.

4.5. Licence for alterations

- 4.5.1.** Secure Landlord consents, licences for alterations, written approvals to carry out works or alterations at the property.
- 4.5.2.** The Supplier will be required to liaise with project teams and other suppliers to understand the work proposed, and provide full analysis, and risk assessed and recommendations to the Buyer regarding the lease requirements to seek Landlord's consent.
- 4.5.3.** Upon instruction from the Buyer the Supplier will be required to secure Landlord's consent and provide details of the agreement and draft

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instruction documents to the Buyer to enable the Buyer to instruct their legal suppliers to complete legal documentation e.g. Licences for Alteration required. This will include, but is not limited to, consents associated with capital fit out projects, the annual Lifecycle Works (repairs, maintenance and upgrade programme) other programme initiatives e.g. installation of Electric vehicle charging points, and small operations driven requests e.g. accessibility upgrade works, Security transformation.

- 4.5.4.** The Supplier is required to create a tracker, to monitor, update and report on progress of all Landlord Consents across the Buyer estate.

4.6. Wayleaves, Rights of Access and easements

- 4.6.1.** The Supplier is required to provide an initial report covering all significant facts, setting out actions, negotiating strategies and anticipated outcomes and recommendations. Bespoke reports and content will be provided by the Buyer each time an instruction is given to the Supplier.
- 4.6.2.** Following agreement with the Buyer or their nominated agent, the Supplier will undertake and manage negotiations through to a satisfactory conclusion for the Buyer and will provide a comprehensive final report to support a recommendation.
- 4.6.3.** In the event that a satisfactory agreement cannot be reached, the Supplier will advise on appropriate courses of action and represent the Buyer in any further proceedings.
- 4.6.4.** Regular work in progress reporting and updates should be provided as a minimum, on a monthly basis. These would include reporting on third party service providers

4.7. Landlord & lease management

4.7.1. Workflow

- The Supplier will be required to put in place a system to interface and manage workflow from the Buyer's Helpdesk. This will include all issues which require resolution by Landlords and their own service providers and from any 3rd party occupiers and sub tenants of the Buyer's Estate. The Supplier will be required to engage with Landlords, sub tenants, report progress to stakeholders, manage escalations and carry out all necessary actions to ensure issues are

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resolved and proactively managed to resolution including making recommendations where necessary to seek legal advice or action.

- The Supplier will be required to manage access requests from Landlords and their agents where required by interfacing with the Buyer's Supply Chain Integrator and / or Buyer's Supply Chain and ensure any specific client instructions and protocols are communicated.

4.7.2. Landlords works

- The Supplier shall pro-actively engage with the Buyer's Landlords (including but not limited to COLO / MOTO partners) to identify planned and reactive works which Landlords intend to undertake, and which could have a material impact on the Buyer's operation from the relevant location and/or create an incremental liability for major recoverable expenditure. Where the Supplier identifies such works the Supplier will pro-actively:
 - provide advice to the Buyer regarding the lease provisions relating to such works.
 - liaise with the relevant Landlord(s) to seek to mitigate the operational and/or cost impact to the Buyer;
 - secure regular updates from the relevant Landlord(s) regarding progress of the works and share such updates with the Buyer.
- Any Supplier activity undertaken in relation to the requirements above involving physical inspection of site works and/or assessment of method statements risk assessments or other documents related to Landlords' works along with Supplier activity undertaken post instruction of lawyers in event of a legal dispute are Call-Off Activities.

4.7.3. Landlord compliance

- The Supplier will be required to support the Buyer in its requirements to report on statutory compliance where responsibilities sit with third party Landlords. The information to be agreed with the Buyer during the Implementation Phase.
- The Supplier's responsibilities will be to ensure the Buyer's obligations and responsibilities are fully discharged in accordance with all lease obligations and relevant legislation including but not limited to statutory and regulatory compliance.
- The Supplier is required to request written confirmation annually from Landlords that they are compliant with all relevant legislation and supporting or carrying out follow up actions agreed with the Buyer.

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- The Supplier will be required to support and/or contribute to investigations into accidents or incidents that require immediate action.

4.8. Break Options

- The Supplier will monitor and actively manage break options and notice deadlines with the Buyer to ensure the Buyer is notified of deadlines and property management information to support decisions to break or not to break leases. Where decisions are made to exercise break options, the supplier is to support the Buyer and its legal advisors with information as required to facilitate accurate service.

4.9. Management of the Onboarding New Properties

The Supplier is to lead and support other customer suppliers to ensure that new acquisition properties are fully onboarded in a timely manner.

4.10. Management & hand-back of properties on divest (breaks, expiries)

- The Supplier will;
 - 4.10.1.** Ensure that leasehold covenants in relation to hand back of premises are monitored and communicated to responsible parties to ensure compliance and mitigation of risk, including but not limited to liaison with LL's representatives and arrangement of hand-back meetings, key collection/drop off.
 - 4.10.2.** Ensure all property related payments cease on hand back and coordinate with the Buyer's utility/energy team to ensure meter readings are provided and accounts closed.
 - 4.10.3.** Coordinate vacant property management for the Buyers' FM (Facilities Management) and Security requirements for example enabling the Buyers' Supply Chain to undertake regular site visits and the provision of appropriate security measures.

4.11. Risk assessments

- The Supplier will provide risk assessment on a quarterly basis which give a 3 year forward look at the likelihood of leases being terminated where Landlords have Landlord break options and or leases have no protection of the Landlord and Tenant Act 1954.
- The Supplier will support the development and maintenance of the Buyer's leasehold team risk register and contribute to monthly reporting.

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4.12. Neighbourly issues

- The Supplier shall manage the following, including but not limited to negotiation of boundary disputes, crane and scaffold over-sailing rights, arising with neighbouring landowners or tenants including making recommendations for remedial action/ works or other action to protect the Buyer's interests and or ensure compliance with the Buyer's statutory or leasehold obligations.
- Following agreement with the Buyer or their nominated agent, the Supplier will undertake and manage negotiations through to a satisfactory conclusion for the Buyer and will provide a comprehensive final report to support a recommendation on a figure for settlement. In the event that a satisfactory settlement cannot be reached, the Supplier will advise on appropriate courses of action and represent the Buyer in any further proceedings.
- Where the Supplier becomes aware of a potential dispute or challenge, they shall inform the Buyer at the earliest opportunity. The Supplier will be expected to investigate the issue, identify options and suggest recommendations on how best to resolve the dispute/complaint. At all stages of the dispute resolution process the Supplier must ensure the Buyer is updated on progress.

4.13. 3rd Party and sub-tenant management including Other Government Departments

The Supplier shall undertake the following actions which will include but are not limited to:

- Onboarding and provision of Services to support the sharing of the estate between the Buyer, other government departments (via MOTO's), public bodies (via COLO's) and 3rd party commercial sub-tenants .
- Interdepartmental occupational management, MOTO's acting on behalf of the Buyer in the development and management of cross-departmental agreements for sharing space.
- Occupational management of colocation agreements with the Buyer and other public bodies including but not limited Local Authorities and public bodies.
- Identifying additional sources of income from buildings and vacant space within buildings.
- Maintain accurate records of all sub tenants, OGD and third-party leases and licence arrangements

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- Provide regular invoicing schedules with supporting information to enable rent, service charges and other costs to be invoiced by the Buyer's charging Supplier
- Monitor payments and arrears and take action to recover outstanding debt.

4.14. Working with other Buyer's suppliers/teams (e.g. Legal, the Buyer's Field Team)

- The Supplier shall undertake;
- Day to day estate asset management of the commercial estate, integrating and liaising with current the Buyer's Supply Chain Managers (ASCM) as necessary.
- As part of the Buyer's Disaster Recovery Planning the Supplier will be expected to assist in a collaborative manner with the ACSM to ensure that the Buyer's business disruption is minimal.

4.15. Business Rates - Treasury management (Rating appeals are under call-off)

4.15.1. General administration

The Supplier will provide professional advice, guidance, negotiation and assistance on non-domestic rating issues including a proactive strategy on an ad-hoc basis as and when required to mitigate changes in liability arising from new buildings and alterations. This will include as a minimum:

- Checking rates bills for accuracy of fact and calculation; and
- Providing forecasts for budgeting purposes including apportionments for lettings and estimates for new buildings.
- Develop and maintain a list of rating assessments for all the rating hereditaments where the Buyer is the ratepayer.
- Provide advice and guidance on revaluation of business rates (anticipated to be 2023) and any transitional arrangements.
- Provide advice and guidance on business rates grants or holidays, because of COVID-19 or other rating reliefs available.
- Act on behalf of the Buyer for rating relief (small business, rural, charitable, enterprise zones, exempted and empty buildings, hardship, transitional, retail discount and local newspaper reliefs.
- Act on behalf of the Buyer on auditing historic and/or current rate refunds and rebates.

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4.15.2. Baseline liability

- The Supplier will provide advice on baseline certificates to ensure accuracy and consequentially that liability can be calculated correctly during the application of transitional relief provision.

For the avoidance of doubt the application and appeal process for transitional relief activity will be a Call-Off Activity.

4.15.3. Full payment management

- Providing a full-service checking and paying Buyer rate bills, including general administration and baseline liability Services to ensure the Buyer's liabilities are correct and fully mitigated without going to appeal and should include the potential initial consultation fees for compiled list and material change appeals.
- Provide forecasts for Buyer reporting requirements for budgeting or payment purposes, including apportionments for lettings and estimates for new buildings.
- Cross reference rates payment demands amount with appeals lodged.
- Agree annual Business Rates savings targets with the Buyer.

4.15.4. Compiled list appeals

The Supplier will:

- Provide initial advice on assessment correctness and the likelihood of success;
- Forecast and check rate refund calculations from the Buyer;
- Check interest payment calculations issued to the Buyer; and
- In light of any such appeals examine the baseline certificate to ascertain whether this can be challenged to produce further savings.

For the avoidance of doubt the following are all Call-Off Activities:

- *Processing and production of a Transitional Certificate - these are used to certify the baseline liability for a rate bill calculation during the application of transitional relief provision.*
- *Correcting assessments as a consequence of errors or in-accuracies within the compiled list Appeals (2010 or 2017 rating lists); and*
- *Appeals, including Material Change of Circumstance appeals (MCC).*

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4.15.5. Material Change appeals

The Supplier will give advice and undertake activity on specialist rating work, such as:

- Providing initial advice on whether any savings could be achieved;
- Applications for charitable relief;
- Correcting assessments as a consequence of Material Change of Circumstance (MCC) Appeals (2010 and 2017 rating Lists) (within the meaning of relevant legislation);
- Applications to billing authorities for reduced payments because properties are unoccupied. This application to be for mandatory rate relief only; and
- Initiating appropriate Rating Appeal action and correcting assessments as a consequence of a split and/or merger of a Buyer rating assessment.

For the avoidance of doubt the following are all Call-off activities

- *part vacations fall under the Discretionary rate relief application process known as S.44A applications in England and Wales and S.24A applications in Scotland.*
- *Appeals, including Material Change of Circumstance appeals (MCC) ; and*
- *Appeal action needed to split or merge a Buyer rating assessment*

4.15.6 General Advice

The Supplier shall from time to time be required to:

- Give advice on any revaluation process.
- Formulate a proactive “Right First Time” strategy to mitigate changes in liability arising from any revaluation process.
- Ensure that the necessary data (including rental data) is supplied as necessary to support the accuracy of revaluations Give advice on the likely financial impact of any revaluation.

It is important that public sector authorities pay the correct amount of rates. It will be the responsibility of the Supplier to take all reasonable steps to ensure this is achieved, resolving issues through the most suitable route.

4.16. Utilities, Energy & Sustainability

- The Supplier is to provide information and data to the Buyer and Integrator to enable utilities & environmental management, including but not limited to the following:

4.16.1. Energy data

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- Where the Consumption data for sites is held by Landlords e.g. sites where utilities consumption is covered by a service charge and required for e.g. production of DEC's, carbon reporting, etc. the supplier will be required to request such information from the Landlord. This request will be made at a frequency that fits with the Buyer's environmental reporting obligations (currently quarterly).

4.16.2. Energy Performance Certificates (EPCs)

- The Supplier is to obtain missing EPCs that cannot be obtained from the Landlord from the national register where these are available.

4.16.3. Display Energy Certificates (DECs)

- Requesting copies of DEC's whenever they are renewed. This will only apply to properties at which DEC's are produced by the Landlord or a tenant other than the Buyer, or where an existing DEC is in place at point of acquisition.

4.16.4. Other environmental data

- Requesting other environmental data for the Buyer's reporting purposes where e.g. facilities management is not directly managed by the Buyer. This may include for instance waste data, fugitive emissions data. This data will be provided at a frequency that fits with the Buyer's environmental reporting obligations (currently quarterly).
- For the avoidance of doubt, this service will also be required as part of any acquisition work instructed under Call off.

5.0. CALL OFF SERVICES

5.1. Reporting on Call off Activity

The Supplier is to provide a monthly progress report for all call off instructions under the various activity types.

5.2. Rent reviews – where the Buyer is the Tenant or Landlord Calculation, agreement and management of Index reviews

The Supplier maybe required to process Index based Rent Reviews and the activities will include:

- Review and check of the rent review clause/s and ensure that the index reviews are calculated in accordance with the specific lease.
- Prepare a report detailing the revised rent calculated by the Suppliers surveyor.
- Check / validate the Landlords calculation against the calculated figure.

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- Resolve any variance between the Landlord calculation and the Supplier's calculation.
- Prepare and issue a Rent Review Memorandum documenting the revised figure and issue to the Landlord or their representative.
- Issue Memorandum and Report to the Buyer for approval and signature.
- Update the data on the Supplier database.

5.3. Rent reviews (excluding Indexation only Rent Reviews)

- When requested, the Supplier will provide an initial report covering all significant facts setting out actions, negotiating strategies and anticipated outcomes. Following agreement with the Buyer, the Supplier will undertake and manage negotiations through to a satisfactory conclusion for the Buyer and will provide a comprehensive final report and give their recommendation on a figure for settlement.
- In the event that a satisfactory settlement cannot be reached, the Supplier will advise on appropriate courses of action and maybe required to represent the Buyer in any further proceedings.
- Once a settlement has been reached the supplier will liaise with the Buyer's solicitors and with other relevant professionals, providing all necessary input as required, to document the agreement.
- Rent Review Project
There are a significant number of leases (see Annex 4 property data) with reviews in 2023/24. These should be managed as a project with a project lead responsible for reporting and attendance at regular governance/progress meetings.

5.4. Lease renewals – where Buyer is the Tenant or Landlord

- The Supplier maybe required to provide an initial report covering all significant facts, setting out actions, negotiating strategies and anticipated outcomes.
The Supplier maybe required to undertake and manage negotiations through to a satisfactory conclusion for the Buyer and will provide a comprehensive final report to support a recommendation for agreement. Advice, including support preparing business cases to GPA, will take full account of the Buyer's best interest, subject to any overriding Exchequer interest, the statutory position, the Buyer's estate strategy, business needs, the condition of the building and the state of the market. Activities may include:
- Initial report covering all significant facts inclusive of estimated rent, terms, setting out actions, negotiating strategies and anticipated outcomes;
- Manage negotiations through to a satisfactory conclusion:

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- Support and advice on statutory positions, notices and tactics to support Buyer strategies
- Comprehensive final report and to support a recommendation on a figure for settlement;
- Liaising with the Buyer's solicitors and with other relevant professionals, providing all reasonable necessary input as required. This can include lease termination.

5.5. Lease re-gears and lease break buy-outs – where Buyer is the Tenant or Landlord

The Supplier may be required to undertake and manage negotiations to re-gear a lease or buy out lease breaks.

Lease break buy outs are the removal of break options.

Lease re-gears include but are not limited to:

- Lease surrender and regrant
- Changes in the rent and rent review provision
- Term extensions
- Variations to the alterations of dealing provisions
- Increasing or decreasing the demise
- Changing repairing obligations.

The Supplier will be required to:

- Provide an initial report covering all significant facts, setting out actions, negotiating strategies and anticipated outcomes.
- Negotiate satisfactory terms for the Buyer
- Provide a comprehensive final report and their recommendation for agreement.
- Support any business case and NPC approvals required
- Support the legal supplier to document the agreement
- Update as required the data system.

5.6. Acquisition of Leasehold and Freehold property

5.6.1. Site Search

- The Supplier maybe required to undertake and manage a comprehensive search of available property solutions, including availability review of the

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Government estate via the Government Property Agency. This will include as a minimum, a schedule of options with photo, headline terms and deliverability timescales and risks, a location map identifying the options and the current properties being replaced and a market summary including rental levels and supply and demand.

- The Supplier maybe required to report in an agreed format the suitability of options against all search criteria supplied by the Buyer, which will include, but not be limited to location, accessibility, public transport links, accessible car parking / drop off facilities, building configuration i.e. number and location of entrances, passenger lifts if accommodation is above ground floor, permitted operating hours, Planning Use Class, acceptance by Landlord of the Suppliers intended use for the premises, etc. The supplier will be required to ascertain the detailed information required to enable assessment of suitability, including direct contact with the letting agents as required.
- The area subject to the search will be monitored for 3 months for additional options coming available. Delivery timescale for the site search is 10 working days.

5.6.2. Site Selection

- The Supplier may be required to source initial due diligence information on options including CAD drawings, undertaking surveys as required including but not limited to Pre- acquisition surveys (detail elsewhere), Town Planning advice, EPC's, Environmental advice/surveys, sustainability, compliance and Health & Safety.
- The Supplier may be required to arrange and attend site visits to potential options and input into the site selection discussions.

5.6.3. Negotiations

- The Supplier maybe required to negotiate on behalf of the Buyer heads of terms on selected sites, completing a heads of terms document and reporting terms with supporting evidence on comparable rental levels and a recommendation. The supplier may also be required to support drafting of the business case and approval process including National Property Control approvals.

5.6.4. Legal Completion

- The Supplier maybe required to support the Authorities legal supplier in completion of the necessary legal documentation, leading any further negotiations on commercial terms with Landlords.
- On completion the Supplier, to agreed timescales, maybe required to make the system data changes.

5.6.5. Utilities at acquisition sites

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- The Supplier maybe required to confirm which utilities the Buyer is responsible for paying or that are covered by service charge.
- The Supplier maybe required to agree meter readings with Landlords.
- Where the Buyer is required to pay utilities direct to utilities suppliers, the Supplier maybe required to request confirmation as to who the existing utilities supplier(s) are from the Landlord.

5.7. Market Comparison Report

The Supplier may be requested to provide a market report to support the Buyer's governance processes, business cases and NPC approvals, where the option to acquire a new site is to be discounted without a site search. The report will be presented in a standard template and contain:

- Location – a brief overview of the existing location in relation to key amenities, transport infrastructure likely to impact on the Buyer's existing or future operational requirements.
- Comparable rental information – summary of transactional evidence within the preceding 12 months in order for the Buyer to form a view on comparable rental levels and likely incentives available should they seek to acquire alternative premises.
- Market Overview – summary of availability within the specified size and use criteria provided by the Buyer; take up of property stock within the preceding 12 months and likelihood of the Buyer identifying suitable premises to meet their criteria.
- The report will be delivered within 10 working days from the receipt of instruction.

5.8. Disposal

- The Supplier may be required to advise on and manage the disposal of land, freehold and leasehold property (via sale, transfer, lettings and sub-lettings, lease surrenders, lease assignments or other disposition (including sale and leaseback transactions). The preference is to divest at a lease event and therefore the volume of activity is likely to be minimal.

5.8.1. Disposal Strategy

- Where surplus property, space or holdings have been identified, The Supplier maybe required to provide an initial report with budget costs, valuations, forecast incomes, anticipated outcomes and timings which take into account market conditions and risks, together with a recommendation to achieve the most favourable outcome for the Buyer. The actions required may include the preparation of a sub-letting proposal.

5.8.2. Marketing

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- The Supplier maybe required to advise on the options available for disposal via a marketing report and, once agreed with the Buyer, undertake and manage the marketing process including arranging site visits.

5.8.3. Negotiations

- The Supplier maybe required to negotiate heads of terms on behalf of the Buyer, completing a heads of terms Buyer document, reporting terms with supporting evidence on comparable rental levels and providing a recommendation. The supplier may also be required to support drafting of the business case and approval process including National Property Control approvals.

5.8.4. Legal Completion

- The Supplier maybe required to support the Buyer's legal supplier in completion of the necessary legal documentation, leading any further negotiations on commercial terms.
- On completion the supplier to agreed timescales; maybe required to make data changes in their property management system.

5.9. Valuations

- The Supplier may be required to produce Valuations to be carried out fully to the appropriate standards (including the latest edition of the RICS appraisal and valuation standards manual (the 'Red Book')) are to be provided by the Supplier where necessary in the provision of the Contract Services. An agreed valuation signoff methodology must be agreed with the Buyer. The Buyer may require independent standalone valuations which can take a number of forms including:
 - Full valuations in accordance with the latest RICS Valuations – Professional Standards; and
 - Asset Valuations.
 - Valuations for financial reporting purposes, including capital charges, undertaken in accordance with the prevailing accounting standards as interpreted for the UK public sector and current professional standards guidance.
 - Marketing appraisal (as detailed elsewhere)
 - S18 (dilapidations limitation valuations)

5.10. Rating Appeals

- For the avoidance of doubt the incumbent supplier will continue to manage all ongoing work relating to the historic rating lists 2010 and 2017. The new Supplier will be responsible for identifying any new appeals and for all work in relation to future rating revaluations during the term of the Contract. The New

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Supplier will make recommendations to The Buyer who will then confirm or not for the appeal to proceed.

5.10.1. Compiled List appeals

- The Supplier may be required to provide initial advice on the likelihood of success;
- Lodge formal appeals & Challenges against rating assessments and negotiate with the relevant body in an attempt to agree to a lower rateable value. For the avoidance of doubt the Supplier is required to challenge rating Buyer valuations, rebates and changes of use, including seeking reductions for part occupancy or incapable of being occupied circumstances (including Discretionary Rate Relief Applications but excluding mandatory rate relief applications for full the Buyer vacations);
- Processing and production of a Transitional Certificate;
- Correcting assessments as a consequence of errors or in-accuracies within the compiled list Appeals;
- Manage all Appeals activities, including Material Change of Circumstance appeals (MCC); and
- In the light of any such appeals examine the baseline certificate to ascertain whether this can be challenged to produce further savings.

5.10.2. Material Change appeals

- The Supplier may be required to give advice on material change appeals and initial advice on the likelihood of success;
- Lodge formal material change appeals against the rating assessments and negotiating with the relevant body in an attempt to agree to a lower rateable value;
- Manage all Appeals activities, including Material Change of Circumstance appeals (MCC); and
- Appeal action needed to split or merge a THE BUYER rating assessment.

5.10.3. Lands/Valuation tribunal hearings

Compliance with all necessary statutory/regulatory/practice statements that may apply;

- The Supplier maybe required to Advise the Buyer as soon as it becomes apparent that a suitable agreement cannot be achieved through the normal appeal process;
- The Supplier maybe required to recommend the most appropriate course of action to be taken and advising fully on the positive and negative implications;

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- The Supplier maybe required to Consult on the procurement of external assistance, for example appointing legal support;
- The Supplier maybe required to provide professional support at tribunals;
- The Supplier maybe required to advise on the potential costs that will flow from such action;
- The Supplier maybe required to prepare statements of case; and
- The Supplier maybe required to respond to replies as necessary and to comply with any timeframes applying.

5.11. Historic Rates audit

- The Supplier may, with express approval from the Buyer, be required to undertake an historic Business Rates audit on any hereditament which has previously attracted non-domestic rates. This service will include:
- A review of all applicable reliefs throughout the liable periods, applying for any which have not been requested or granted;
- Analysis of payments and recovery and reconciliation of any outstanding or generated refunds;
- Validation of Rateable values;
- Analysis of any changes to Regulations, new Directives or case law that has a direct impact on hereditaments of THE BUYER.

Fees will be success based on refunds generated.

5.12. Dilapidations – where Buyer is the Tenant or Landlord

5.12.1. Pre-dilapidations Advice

- The Supplier may be required to provide pre-dilapidation assessment reports, providing a cost estimate of dilapidations liability and comprehensive and timely advice for the Buyer on the most appropriate course of action to be taken. Advice will take full account of the Buyer's best interest, the statutory position, the likely future use of the property, the condition of the building, the lease provisions, including any reinstatement conditions, and the Buyer's financial position.
- Where it is concluded that the interests of the Buyer would be best served by the completion of works identified within the dilapidations assessment, the Supplier will notify and support the Buyer with instructions to the supply chain who will undertake the work.

5.12.2. Terminal Dilapidations Settlements

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- The Supplier may be required to undertake and manage dilapidations negotiations through to a satisfactory conclusion for the Buyer and will provide a comprehensive final report to support a recommendation on a settlement.

5.12.3. Interim Dilapidations

- Where required, review, manage and negotiation of on behalf of the Buyer interim dilapidations claims to satisfactory conclusion. This will include, but not be limited to, review and validating the claim against the lease obligations and extent of deterioration / repairs necessary, agreement with the Landlord on valid repairs required and extent of repair, reporting to the Buyer confirming valid repairs required providing brief description of remedial work necessary, taking advice from the Buyer on likely timescale for completion of repair work items and advising the Landlord.

5.13. Building Surveying Services

5.13.1. Pre-acquisition Survey

- Where the Buyer is considering the acquisition of a property, either freehold or leasehold, the Supplier may be called upon to undertake a pre-acquisition or more detailed technical due diligence inspection and report to include, but not be restricted to, detailed survey (building and M&E, fire risk assessments, water risk assessments, asbestos surveys, review of any high-risk assets e.g. cooling towers) to identify the condition of the main fabric, plant and services elements and provide comment on their suitability, condition and lifespan and potential future remedial costs, review of technical data available for the property, planning restrictions, operation and maintenance data, organising environmental assessments, and considering implications for the building's potential use) taking into account the suitability for the intended use of the property. Liaison with the wider Buyer's Project team and Estate Supply Chain, to support them in delivering the required pre acquisition activities and to support Heads of Terms negotiations the Buyer may also require the retention and retrieval of computer aided design (CAD) floor plans. Where it is identified that a required floor plan does not exist there may be a requirement for its production.

5.13.2. Schedule of Condition

- The Buyer may require independent detailed surveys and reports, including schedules of conditions for attaching to new leases, on the current condition of a potential property or asset including estimates of costs and priorities to bring the property up to an agreed acceptable standard, optimum timing of maintenance and repairs, statutory obligations (including asbestos and equality legislation), health & safety issues/risks and whole life costs which should be attached to the occupancy agreement.

5.13.3. Monitoring of Landlord works

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- The Supplier maybe required to support the Buyer and their supply chain in approving and monitoring Landlords project works by acting as the Buyer representative including reviewing proposals, meetings to agree proposals with Landlords and their agents, attendance at site meetings, liaison with the Buyer staff in the building, monitoring of the works sign off satisfactory completion of works. The Supplier is to review recharges back to tenant as part of their service charge management activity.

5.14. Project Management

- In addition to the programmes specified in section 4.1.4. the Supplier may be required to provide project management resource to support other the Buyer works or programmes of works.

5.15. Strategic advice

- The Supplier may be asked to provide resource on a secondment basis to the Buyer to supplement their own teams from time to time. Potential areas will include: -
 - Strategy – to support the development of estates related strategies.
 - Business Case Writing – to support business cases and NPC submissions.
 - Project teams – to support work on specific projects either as part of a programme team e.g. Covid response programmes or on individual but complex projects e.g. site-specific acquisitions.
 - Advice/resource may also be requested in many other areas including but not limited to the following: -
 - Green Leases – support the Buyer on the development of green leases where required
 - Development surveys, studies and strategy
 - Development appraisal, investment appraisal / advice
 - Property performance including space utilisation
 - Regeneration and economic development
 - Sustainability and sustainable initiatives
 - Strategy and Planning
 - Supporting New Business Cases
 - Identifying and Establishing Regear Opportunities
 - Estate rationalisation and review
 - Feasibility study
 - General planning services (inc. town and country)
 - Market trends and rental forecasts

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- Measured survey
- Development monitoring
- Financial services
- Technology based surveys, studies and strategy
- Digital advisory / consultancy
- Drone surveys.
- Environmental surveys, studies and strategy
- Environmental impact assessments, Environmental planning, Flood risk
- EPC's, Display Energy Certificates (DEC's), MEES.

5.16. Town Planning

- The Supplier may be required to provide town planning advice and submit and manage planning applications. including consultations and negotiations with planning authorities and the submission of formal applications, notices, appeals, Section 106 Agreements, Section 278 Agreements (Highways) and CIL (Community infrastructure Levy).

5.16.1. Qualified planners may be required to provide advice including but not limited to: -

- Strategic planning advice;
- Disposal related planning advice;
- Planning Applications;
- Planning Appeal;
- Development plan work on emerging plans;
- Statutory planning work;
- Affordable housing requirements; and
- Green travel plans.

5.17. Compulsory Purchase Order

- The Supplier maybe required to provide advice on compulsory purchase advice. This will include, but not be restricted to, procedural and negotiation advice.
- In circumstances where the Buyer wishes to promote a compulsory purchase order ("CPO") to obtain powers to compulsorily acquire land from third parties the Supplier maybe required to provide strategic and procedural advice on how to obtain those powers. In these cases, the Supplier will advise on all stages of the CPO process from inception through public inquiry, possession

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and subsequent negotiation of property acquisition and compensation, if necessary, by referral to the Lands Tribunal. In addition to this there may be a requirement for the negotiation and settlement of Part 1 claims.

- In cases where the Buyer owns or occupies land which is subject to a CPO being promoted by another body the advice will include potential objection to the CPO and appearance at public inquiry, if appropriate and the agreement of terms of withdrawal of objections/undertakings. In cases where the Buyer owns or occupies land which is subject to a CPO being promoted by another body the advice will include potential objection to the CPO and appearance at public inquiry, if appropriate and the agreement of terms of withdrawal of objections/undertakings. It will also include negotiation for the sale of land and settlement of compensation, if necessary, by referral to the Lands Tribunal.

5.18. Day-lighting/sun-lighting/rights of lights

- The Supplier may be required to provide an initial report, to be agreed with the Buyer, covering all significant facts, setting out actions, negotiation strategies and anticipated outcomes. Undertake and manage negotiations to a satisfactory outcome, to be agreed with the Buyer.

5.19. Party wall awards

- The Supplier may be required to provide advice either when the Buyer is the building owner developing a site or when notices are served on the Buyer as an adjoining owner to a development site.
- Advice must be given so notices are served at the right time and awards entered into as required including agreement of detailed schedules of condition and compensation for loss of amenity.

6.0. Financial & Cost Management (Core Services)

INTRODUCTION

6.1. Objectives

- As part of the Core Services, the Buyer requires a robust, efficient and effective cost & financial management service including, but not limited to:
 - (a) The processing of payments in respect of Rent, Rates, Service Charges and any other payments required on time and in accordance with the Buyer lease and occupancy agreements.
 - (b) The recovery of subtenant income in accordance with the Buyer lease and occupancy agreement terms;

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- (c) The provision of cost and financial information and data to enable effective financial management accounting, forecasting including accruals management are accurate, correct, and produced in accordance with the financial reporting requirements and timetable (to be provided during Implementation Phase). For the avoidance of doubt, the Buyer is responsible for financial reporting and management accounting;
- (d) accurate and up to date cost and financial data, documentation and information associated with the Buyer property portfolio held at site asset level and is accurately maintained, including the management and implementation of any change and information is held in a format which is available at site level and enables the provision of required Management information to the Buyer.
- (e) robust change management processes and procedures to ensure accurate cost and finance management and reporting.
- (f) reduced manual cost validation through greater utilisation of system interaction and automation.

6.2. Overview of Supplier Requirements

During the Implementation phase, the Supplier will provide to the Buyer their plans on how they intend to fulfil the cost and financial management requirements of the Contract interface with the integrator ensuring all property information, including but not limited to, all property payment information, sub-tenant lease information, all property event dates such as lease breaks and rent reviews and so on, be properly managed, recorded and continually updated in real time. For the avoidance of doubt, sub-tenants include but is not limited to Other Government Departments (“OGDs”).

- The Supplier shall make the Buyer aware of events that may subsequently impact sub-tenancy arrangements and recovery of associated costs and debt relating to these arrangements.
- The Supplier shall have the ability to undertake checks of the sub-tenant charges against lease information to ensure all Sub Tenants received the correct invoices

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- SSCL shall be responsible for the creation and issuing of the sub-tenant invoices and providing the Buyer, Supply Chain Integrator, and the Supplier with the sub-tenant invoice information and supporting details for debt recovery
- The Supplier shall be responsible for working with the Buyer to undertake duties including but not limited to chasing outstanding debt, collation and issuing of reconciliations etc
- The Buyer will confirm the financial process and reporting requirements in relation to sub-tenant income during the Implementation Phase.

6.3. Government Banking Service

The Supplier will be required to ensure that their payment files interact with the Government Banking Service. Please refer to Call-Off Schedule 6 ICT Services. All relevant parties should be signed up to the Government Banking Service by the end of the Implementation Phase.

6.4. Finance Staffing Requirements

The below set of requirements is not an exhaustive list but a means of Identifying key personnel and activities the Buyer requires to be delivered. There will be other activities required that may not have been outlined below.

Finance Manager

The Supplier shall appoint a finance manager that is the single point of contact for this contract. The finance manager will have overall responsibility for reporting, financial management, reconciliation of the GBS account and payment processes. We would require this role to be qualified (CCAB) and have knowledge and experience of IFRS16 within a Government organisation.

Accountant

The Supplier shall appoint an Accountant who is CCAB qualified and has knowledge of IFRS16.

Accounts Payable

- There is a requirement for this role and this role will be heavily utilised due to the number of properties within the Buyer Estate.
- Within the Finance functions we would require as a minimum but not limited to the following areas being supported:
- Payments associated with Rent, Rates and Service Charges;
- Funding Requests;

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- Reporting of In month actuals and Full Year Forecasts
- Variance Narratives
- GBS Reconciliation and variance analysis
- Financial month end requirements
- IFRS16 Expertise
- IFRS16 reports and associated journals
- Sub-Tenant Income
- Attendance at Finance working groups and other ad hoc meetings as required by Buyer

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7.0. Staff and Buyer Service

- 7.1. The Supplier shall provide a sufficient level of resource throughout the duration of the Contract in order to consistently deliver a quality service.
- 7.2. The Supplier's staff assigned to the Contract shall have the relevant qualifications and experience to deliver the Contract to the required standard.
- 7.3. The Supplier shall ensure that staff understand the Buyer's vision and objectives and will provide excellent Buyer service to the Buyer throughout the duration of the Contract.
- 7.4. The Supplier shall provide all personnel required to deliver the Services at all times and shall warrant all Supplier Personnel are suitably competent and experienced to deliver the Services. At all times the Buyer has the right to determine suitability and have the right to instruct the Supplier to remove any Supplier Personnel in accordance with the Contract.
- 7.5. The Supplier shall ensure, prior to commencing any work for the Buyer, all personnel are subject to as a minimum HMG Baseline Personnel Security Standard security clearance. For certain Affected Properties to be advised by the Buyer, further levels of personnel assessment may be required. This will typically require individuals to hold Security Check (SC) clearance in line with the latest HMG personnel security controls (<https://www.gov.uk/government/publications/hmg-personnel-security-controls>). There may be certain roles that require interaction with vulnerable groups, access higher levels of sensitive information, or due to the systems access capability, (for example database administrators, etc.), may be required to be subject to higher levels of personnel security vetting. The Buyer shall advise on these roles during the Implementation Phase. All security clearance documents shall be made available at all times to the Buyer. Please refer to Call-Off Schedule 18 Background Checks.
- 7.6. The Supplier shall deploy personnel and other resources flexibly in order to ensure the Buyer benefits from the scope and scale of the Supplier's organisation. Please refer to Call-Off Schedule 7 Key Supplier Staff.
- 7.7. Full details of the contractual obligations required to comply with the above procedures can be found in the Guidance document "HMG Baseline Personnel Security Standard - A Guide for the Buyer Contractors". A PDF version can be viewed at:

<http://www.the Buyer.gov.uk/docs/aguidefortheBuyercontractors.pdf>

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8.0. Buyer Satisfaction and Complaints Process (Core Services)

- 8.1.** An important factor in the delivery of any service is ensuring Buyer satisfaction and being able to handle complaints, the Supplier is expected to have an appropriate process in place to evaluate Buyer satisfaction and to act on findings to continually improve their service. Please refer to Call-Off Schedule 3 - Continuous Improvement.
- 8.2.** The Supplier will also be required to have an appropriate complaint process capable of making clear where and how complaints should be directed and a means of handling and responding to the complaints.

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9.0. Contract Management

For clarity, section 9.0 (Contract Management) only applies to Core Services.

As part of the Core Services provision the Supplier shall attend to the following meetings:

Meeting Type	Frequency	Attendees:
Leasehold Steering Groups	Monthly	Account Manager, Account Partner & any other representatives as required
Leasehold Working Groups	Monthly	Account Manager & any other representatives as required
Finance Working Groups	Monthly	Account Manager, Finance Manager and Account Partner
Supplier Management	Quarterly	Senior Leadership both parties
Dilapidations Review	Quarterly	Account Manager & any other representatives as required
Acquisition Forecasts	Monthly	Account Manager & any other representatives as required

- Additional meetings maybe required, for example, if additional remediation meetings are needed.
- Attendance at Contract Review meetings shall be at the Supplier's own expense.
- The Buyer requires a highly capable and motivated Supply Chain that will deliver the required Services to a satisfactory level and over time, offer quality enhancements and/or cost savings that improve the overall value for money of the Buyer's Estate which better enables the Buyer's Core Business to function more efficiently and effectively. Successful performance by the Supplier is a critical aspect of achieving this objective.
- In managing the performance of the Supplier, the Buyer shall:
- Provide a series of reports on a regular basis as outlined within the Call-Off Schedule 14 Services Levels within the PMS Annex.

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- Ensure that performance management is based on fact and not opinion as the Buyer, and the Supplier will use the findings of the performance audit regime to inform the way the Supplier works. In addition, the Supplier shall understand that performance management with the purpose being to better enable the Buyer's Core Business to function as effectively and efficiently as possible.
- The Buyer shall monitor and manage the Supplier to ensure the Supplier complies with the required contractual standards and fully discharges its obligations under its respective LLM Supply Chain Contract.
- The Buyer shall ensure the Supplier delivers the LLM Services in accordance with its contractual obligations on Service Levels as outlined in Call-Off Schedule 14 Services Levels.

9.1. Account and Technical Personnel Requirements

The below set of requirements is not an exhaustive list but a means of identifying key personnel and activities the Buyer requires to be delivered. There will be other activities required that may not have been outlined below.

9.1.1. Help Desk

- The Buyer requires the Supplier to provide a Help Desk service between 9am to 5:30pm on Working Days to receive, disseminate and respond appropriately to Work Order from the Buyer's Supply Chain Integrator in accordance with the requirements of section 4.7.1.
- The Help Desk should process all work orders in the Supply Chain Integrator's system, provide costs for activities, pro-actively engage Landlords and follow up outstanding queries and schedule security passes as and when required. This should include all other activities outlined in section 4.7.1

9.1.2. Account Management

- There is a requirement for an account manager that is dedicated to this contract full time. The account manager shall oversee the technical team, help desk and general day to day operations.
- The contract should be supported by an account partner who shall attend the supplier meetings, oversee all the projects and business as usual activity across all aspects of the contract.
- The Buyer require the support of a Contract/Performance Manager to review on-going performance of the contract, deep dive any performance issues, develop rectification plans and implement changes and or improvements across the contract to ensure the contract is performing, as agreed with the Buyer.

9.1.3. Operational and Technical

- Due to the nature of the estate, the volume and complexity, the Buyer requires that there are dedicated surveyors appointed to this contract.

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This is to ensure that there is continuity of knowledge and to provide efficiency in managing the estate. This should be split geographically to best support the needs of the Buyer. The surveyors should be supported by technical and administrative staff.

10.0. Performance Management (Core Services)

- As part of the Core Services the Buyer requires a highly capable and motivated Supply Chain that will deliver the required Services in accordance with the and the Contract and over time, offer quality enhancements and/or cost savings (Call-Off Schedule 3- Continuous Improvement) that improve the overall value for money of the Buyer's Estate which better enables the Buyer's Core Business to function more efficiently and effectively. Managing the performance of the Supplier is a critical aspect of achieving this objective. In managing the performance of the Supplier:
- The Buyer shall monitor and manage the Supplier to ensure the Supplier complies with the required contractual standards and fully discharges its obligations under its respective LLM Supply Chain Contract.
- The Buyer shall manage the performance of the Supplier to ensure all Services, requirements and contractual obligations are fully delivered in accordance with the Contract. This shall include but not be limited to regularly reviewing performance and performance trends in order to proactively avoid performance issues occurring and or mitigate the effects of unsatisfactory or sub-optimal performance.

10.1. Performance Management Scheme

The Buyer shall administer the Performance Management Scheme for the Supplier as set out in Call-Off Schedule 14 Service Levels of the Contract on a monthly basis. Should the Performance Management Scheme findings suggest Service Credits under the Contract are due the Buyer shall notify the Buyer of this providing suitable recommendation(s). In line with the relevant contractual obligations, the Buyer may make / deduct the financial award.

10.2. Escalation

Both parties shall escalate performance issues if:

- a) A contractual issue is likely to cause a commercial dispute and or negatively impact any party to such an extent that provision of the Services becomes unviable or should hinder the delivery of the relevant services,

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b) A performance issue has resulted or is likely to result in a failure that has negatively impacted the performance of the Buyer's core business or the performance issue is related to health and safety or security.

c) If any issue remains un-resolved for 2 months or more.

d) If following proposed recommendations for improvement there is no significant positive change on performance after the implementation of the recommendations have been implemented.

10.2.1. For the avoidance of doubt, escalation under this paragraph is without prejudice to the rights and remedies available to the Buyer under the Contract.

10.2.2. The below escalation table shall be used for all forms of escalation, unless otherwise agreed in writing:

Complaint Stage	Account Level	Days to investigate & provide solution	Type of Complaint / Issue
1	Help Desk	7	Low risk
2	Account Manager	5	Medium risk
3	Account Partner	3	High risk

11.0. Flexibility during the life of the Contract

The contract will be sufficiently flexible to handle the changes that might occur during its lifetime and any variations will be subject to discussion and agreement at the appropriate time. Any proposed changes would be subject to agreement in accordance with the Variation procedures as detailed in the Framework Call-Off terms and conditions.

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12.0. General

The Buyer requires the Supplier, using the standard of care required by the Contract, to carry out all activities, operations and functions expressly stated in or reasonably to be inferred as required by this Statement of Requirements in order to:

- meet the objectives of;
- achieve the outputs described in; and
- provide all Services described in or which may be reasonably inferred as being the responsibility of the Supplier, from this Call-Off Schedule 20 Specification.

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Annex 1 – GOVERNMENT BANKING SERVICE

Guidance on the Payment of Rent and rates

Lease and Landlord Management Bank Account Operations

The Buyer operates a Government Banking Service (GBS) bank account with its banking provider, National Westminster Bank (This bank account is operated solely by the Supplier to make all payments in respect of Rent, Rates, Service Charges and any other payments required in accordance with lease or occupancy agreement terms held by the Buyer.

This account will be operated by the Supplier via Bankline and the Buyer will establish a separate profile on Bankline to operate this account.

The Buyer will then act as account administrators for this Bankline profile establishing access for the Supplier employees identified by the Supplier as requiring access to the account. That access will be one of the access levels detailed below.

- View Only
- Preparer
- Authoriser

Nominated Buyers' employees will have view only access to the account to maintain oversight of the bank account.

Shared Services Connect Ltd (SSCL) will be responsible for bank reconciliation activity on this account although the Supplier is required to ensure they complete reconciliation between funding requests made and payments made and advise the Buyer on a monthly basis of any differences and the reasons for those differences. All reconciliation differences have to be resolved no later than the following month of occurrence.

The Supplier will be responsible for calculating the payments due to Landlords and Local Authorities, using the property database they have built from information provided by the Buyer to ensure the payments are made by their due dates.

Having calculated the payments due, the Supplier will request the Buyer to authorise the availability of funds. Please refer to Annex 3 Funding Request.

Once approval has been authorised by the Buyer the Supplier will prepare a payment file and import this payment file into Bankline. They will authorise the payments on the Bankline system to allow payments of the required amounts to relevant Landlords and Local Authorities in accordance with the payment dates. Payments made should be limited to the funds requested for the relevant payment and made available to the Supplier for that payment in

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the bank account. On the day prior to the actual payment from the bank account, the Supplier is required to notify the Buyer of the total amounts to be paid.

All payments to be made from the account by 3pm on any working day as HM Treasury sweeps up all uncommitted funds at this time to be used on the overnight money markets. All uncommitted funds will be available in the morning.

The Supplier will undertake daily reconciliation activity to track payments made against funding requests and will promptly provide all information to the Buyer which is necessary, or which the Buyer reasonably requires to track funds through this account.

In addition, the Buyer will undertake reconciliation activity on the bank account as it will form part of the group of accounts controlled by the Buyer. The Supplier will promptly provide all necessary information required by the Buyer to support this reconciliation activity. This will be specified by the Buyer during the Implementation phase.

Any funds paid into the account as a result of rates rebates or recovery of rental overpayments will be promptly remitted back to the Buyer. This will be actioned by the Supplier via Bankline as a book transfer.

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Annex 2 – Lease and Landlord Funding Request and Reporting Requirements

	Requirements for payments (quarterly charges) 3 Funding requests per quarter
	Confirm any payment changes during the period
	Submit request for funds in the Buyer's prescribed form
	Consider and respond to any queries raised
	Attendance at governance meetings throughout the process
	Support the Buyer Estates with briefing note for the Buyer Director sign off
	Make payments
	Requirements for payments (other charges) Potentially every 2 weeks + urgent ad-hoc
	Submit request for funds in the Buyer's prescribed form
	Consider and respond to any queries raised
	Make payments
	Reporting Requirements
	In year and subsequent financial years monthly/annual forecasting (rents, rates, service charge, dilapidations) payable and receivable
	Monthly Risk & Opportunities
	IFRS16 Reporting - In Month/Full Year reporting and corresponding financial journals
	Accrual reports
	All financial reports and associated journals, fortnightly/quarterly funding requests are separated between Business as Usual and Projects
	Reporting of In Month, Year to Date and Full Year Actuals
	Financial month end journals in respect of the Buyer Estate
	Reconciliation of the GBS account
	Attendance at monthly forecast meetings reporting on figures presented to the Buyer

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Annex 3 – Example Fortnightly Funding Request High Level Process Map

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Annex 4 – Property Data Pack

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Annex 5 – Extracts from Risk Framework

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Extracts from Risk
Framework.pdf

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