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Commercial
Service

Bid Pack

Attachment 3 – Statement of Requirements

Introduction to Financial Services Training for HM Treasury

Contract Reference: CCHR20A48

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1. PURPOSE

- 1.1 To co-design and deliver an introductory training programme to new starters to the Authority's Financial Services Group. The training programme will run every six months, timed to coincide with the majority of new starters (April and September). The Authority is seeking a Supplier to deliver this programme from November 2020.

2. BACKGROUND TO THE CONTRACTING AUTHORITY

- 2.1 HM Treasury is the UK Government's economic and finance ministry, maintaining control over public spending, setting the direction of the UK's economic policy, and working to achieve strong and sustainable economic growth. The Authority (herein referred to as "the Customer") aims to be a high performing organisation, able to work effectively with its many stakeholders.
- 2.2 The Customer's vision is for every member of staff to play a full, productive and valued role in ensuring that it operates as a high-performing organisation, in an environment that fully reflects its values and is a rewarding and supportive place to work, with a wide diversity of backgrounds, styles, and working patterns.
- 2.3 Within the Customer's organisation, the Financial Services Group (herein referred to as "the Group"), alongside the Financial Stability Group, works to promote a stable and efficient financial services sector that supports growth in the UK economy and promotes good outcomes for consumers and businesses.
- 2.4 The Group's high-level objectives include promoting growth in the UK economy across all sectors and regions by ensuring financial markets operate efficiently and competitively; supporting macroeconomic stability by ensuring that UK, EU and international regulation reduces risk of financial and wider macroeconomic instability; prioritising good outcomes for consumers and businesses through appropriate regulatory reform, effective competition and better informed consumers; and protecting the UK's status as a global financial centre by maintaining high quality and responsive regulations, and engagement at bilateral, regional and global levels.
- 2.5 The Group has c.20-30 new starters every six months. Many of these starters will be new graduates who may be entering the workplace for the first time; others will be coming from other parts of the Authority, the Civil Service or the private sector. The majority will have little or no background in, or substantive knowledge of, the financial services sector.

3. BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT

Programme development and objectives

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- 3.1 Within the Group, a need has been identified for new starters to be equipped with basic substantive / technical knowledge about the UK's financial services sector.
- 3.2 While many new starters will have background (or undergone training) in their roles as policy officials, few will have worked in the financial services sector previously. In order to permit the new policy officials to operate effectively as soon as possible, the provision of a general background to financial systems, regulations, institutions and instruments was judged to be sensible. This will permit more effective engagement with industry stakeholders, improve their ability to judiciously assess evidence, and develop their ability to see the bigger picture.
- 3.3 Moreover, officials within the Group will tend to focus on specific policy areas. Having a broader understanding of the financial services ecosystem will strengthen their ability to make connections and deliver better outcomes.
- 3.4 It was decided that the most appropriate way of fulfilling the identified need was a multiday face-to-face course, covering the key aspects of wholesale and retail financial markets, the banking and credit sector, financial instruments, and other aspects of financial markets. Two pilots of this style of course were run in early 2017 with different providers. Following these pilots, a provider was selected following Open Market competition. The course has been running for 3 years using a curriculum designed and agreed between the Customer and the previous provider.
- 3.5 The programme's objectives are to:
- 3.5.1 Provide a broad understanding of financial services, financial markets, financial services regulatory architecture, and the role of financial stability for policy officials who may have little or no background in, or understanding of, the financial services sector;
 - 3.5.2 Imbue the officials with the ability to make connections between the policy they work on and other sections of the financial services ecosystem;
 - 3.5.3 Engender in the officials, an understanding of key aspects of the finance industry from the point of view of practitioners;
 - 3.5.4 Enable the officials to start their roles in the Group with confidence about their working knowledge of the financial sector.

Programme delivery format

- 3.6 The programme will be delivered twice yearly, in Spring and Autumn, when the Group sees its greatest number of new entrants. The precise dates will be agreed between the Customer and the Supplier.

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- 3.7 The training will take place over 2 or 3 days, and shall be delivered consecutively or non-consecutively over no more than three weeks, depending on the winning Supplier's proposal.
- 3.8 The course is currently delivered by Kaplan Financial Ltd face-to-face over 3 days. This is a model that the Customer is satisfied with, given it is appropriate to the amount of content and pace of the sessions. However, the Customer shall consider proposals for an alternative format (options outlined at para 3.7) if Potential Bidders can reasonably justify why their approach best meets the needs of the Customer and participants within their proposal.
- 3.9 The training will be delivered at a location to be mutually agreed by the Customer and the Supplier. This is likely to be at the Customer's London office.
- 3.10 While the Supplier may provide e-learning / text resources (such as pre-t reading) to supplement the training, the main training should be delivered in a face-to-face format during the specified sessions.
- 3.11 In the event that COVID-19 related social distancing or lockdown measures are in place by the time of delivery, preventing face-to-face delivery, the Supplier should be able to deliver this training virtually, for example, through Microsoft Teams/Zoom or other platform to be mutually agreed by the Customer and Supplier.

4. DEFINITIONS

Expression or Acronym	Definition
Customer	HM Treasury
EU	European Union
Group	The Financial Services Group within HM Treasury
Supplier	The successful provider of the Introduction to Financial Services Training
UK	United Kingdom
US	United States

5. SCOPE OF REQUIREMENT

- 5.1 The scope of the contract is as follows:

- 5.1.1 The contract must include:

- 5.1.1.1 Face-to-face delivery of a 2 or 3 day detailed course explaining the UK financial services industry by an

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appropriately qualified and experienced instructor on the dates specified, to up to 30 individuals;

- 5.1.1.2 Where the number of delegates exceeds 30, the Authority will seek to run two or more training sessions in that individual cycle to ensure effective training delivery; Potential bidders must have the capacity to upscale to deliver this;
- 5.1.1.3 Provision for the co-construction of training content and materials with policy leads from the Authority;
- 5.1.1.4 Provision for materials and content to undergo multiple iterations before each delivery until approved by the Authority;
- 5.1.1.5 The course must cover at a minimum the curriculum set out in section 6 of this document;
- 5.1.1.6 Provision to deliver entire training course virtually, via a platform mutually agreed by the Customer and Supplier, in the event that COVID-19 social distancing or lockdown measures prevent face-to-face delivery. In this instance, the Customer may expect the training course to be delivered in non-consecutive half-days, and possibly over a longer time period.

5.1.2 The Contract may also include associated pre-reading if the Supplier deems it to be necessary or helpful to the learning experience.

6. THE REQUIREMENT

- 6.1 The Customer requires a comprehensive training course that provides substantive knowledge of the financial services sector for new starters to the Group. Specifically, the aim of the course is to provide: “A broad understanding of financial services, financial markets, financial services regulatory architecture, and the role of financial stability for policy officials who may have little or no background in, or understanding of, the financial services sector.”
- 6.2 There will be up to 30 participants per course. All participants will have joined the Group, either from another Authority post or as external recruits, within the past 6 months and will be in different stages of their career and different positions within the Customer’s management structure.
- 6.3 Participants can be expected to be capable of learning quickly, to have a good understanding of current affairs, and to have a functional grasp of basic economics. However, no pre-knowledge of financial markets or the financial

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services industry beyond that of the intelligent general public should be assumed.

- 6.4 The course will equip participants with a broad understanding of the fundamentals of the financial services sector. While the course is clearly aimed at policy makers, policy making and associated skills will be covered elsewhere; this course should focus on substantive knowledge about the financial services sector.
- 6.5 The course must be stand alone and must be based on face-to-face delivery. We welcome proposals that include pre-reading or other out-of-classroom activities as an option, though this is not within the minimum requirement of the course.
- 6.6 The total length of the course will be 2 or 3 days. The Customer welcomes both proposals that provide for sessions to run continuously over 2 or 3 days and proposals that provide for sessions to run non-continuously over several weeks. To note, the Customer prefers sessions to run non-continuously over several weeks.
- 6.7 The Customer expects a high-quality, rigorous, innovative and stimulating course, drawing on both conventional and interactive learning techniques.
- 6.8 All content will be up to date and delivered by professional trainers with in-depth industry knowledge. Information about relevant trainers' qualifications and experience must be provided in the bid. An explanation of how the Supplier will ensure that content is up-to-date must also be provided.
- 6.9 The Level 1 "Introduction to Financial Services Training" will run every six months. The first session shall be held in November 2020, and then in April and October thereafter. Precise dates will be set by the Customer, with two months' notice given. These will depend on whether the Supplier has suggested continuous or non-continuous sessions.
- 6.10 As set out in section 3, the location of the training will be mutually agreed between the Customer and the Supplier.
- 6.11 The required minimum scope of the coverage of the curriculum is set out in para 6.13. The majority of the course content has already been designed by the Customer and previous provider in line with this curriculum. The Customer is seeking to update the existing course content. The Supplier is expected to liaise with the relevant policy leads from the Customer in each of the curriculum areas. The policy leads will have final sign off on the content for each area and may request changes to be made to the material in order to reflect specific Customer needs.

6.12 The Supplier must iterate the content until policy leads are satisfied. Where required, they must meet with Customer policy leads to discuss and refine content as many times as the Customer requires.

6.13 At a minimum, the course must cover the following topics:

- Financial markets and the UK financial sector
 - o What are financial markets and how do they work?
 - o The UK financial sector and geographic diversity of the sector
 - o Interaction between financial services sub-sectors
 - o Retail vs wholesale finance, and the UK's role as a global financial sector (including institutions only associated with global finance, such as wholesale-only broker dealers)
- Financial institutions
 - o Retail banks and building societies, and the key differences between the two types of institution. Bank balance sheets and how banks lend to the real economy
 - o Investment banks
 - o Asset managers, hedge funds, sovereign wealth funds, private wealth management
 - o How financial institutions provide liquidity
 - o Exclusion from financial markets and consumer harms
- Markets and financial instruments
 - o Debt, credit, and equity
 - o The difference between primary and secondary markets, and the interaction between the two
 - o Overview of Bonds, Equities and Derivatives (including futures, options and swaps)
- UK regulatory architecture
 - o The Financial Conduct Authority, the Bank of England and the Prudential Regulation Authority, Payment Systems Regulator, Financial Ombudsman Service
 - o Changes to regulation post-financial crisis changes
 - o Regulatory requirements for banks and building societies
 - o Regulatory requirements for investment funds and asset managers

- Regulatory requirements for insurance firms
- Global regulatory regimes
 - How EU legislation works
 - The concept of equivalence
 - Major EU equivalence regimes (MiFID II/MiFIR, EMIR, UCITS/AIFMD, Solvency II) and other key pieces of EU financial regulation (CRD, PSD, BRRD)
 - The main US regulatory architecture and institutions
- Market infrastructure
 - Counterparty clearing houses
 - Benchmarks
 - Credit Default Swaps
 - Payment systems
 - Payment Services
- Insurance and Pensions
 - What is insurance
 - Insurance sub-sectors
 - Different types of pensions
- Global financial markets
 - Global regulatory framework – covering G20, the Financial Stability Board, standard setting bodies (eg Basel)
 - UK's key partners in terms of FS flows (US, Switzerland, Japan), international financial centres (ie which ones are key around the world – London, New York, Hong Kong, Singapore etc), and new/emerging markets (China, India)
 - Other financial services sectors– FinTech, Green finance, Islamic finance, Cryptoassets
 - Role of Free Trade Agreements and trade for financial services
- Introduction to financial stability and its importance for financial services
[*Liable to change*]

6.14 The Customer may change and refine the scope of the curriculum during the contract.

7. KEY MILESTONES AND DELIVERABLES

7.1 The following Contract milestones/deliverables shall apply:

Milestone	Description	Timeframe of Delivery Date
1	Initial meeting with the Customer	Within 1 week of Contract Award
2	First draft of learning materials and course content to be provided	2 weeks prior to delivery for the first round of delivery, and 1 month prior to delivery thereafter
3	Second draft learning materials and course content to be provided following comments from the Customer	1 week prior to delivery for the first round of delivery, and 2 weeks prior to delivery thereafter
4	Final draft of learning materials and course content to be provided following iterated rounds of comments from the Customer	1 week prior to delivery
5	Course delivery to have been completed	The Customer will agree delivery dates with the Supplier 3 weeks prior to the first round of delivery, and 2 months prior thereafter. For the first round of delivery, the date will be agreed at the initial meeting with the Customer (milestone 1).
6	Meeting with the Customer following delivery of first course to discuss feedback and changes to be made	Within 1 calendar month after delivery
7	Milestones 6-10 are to be read across for each individual cycle of training delivered, unless notified otherwise by the Customer.	Throughout the life of the Contract.

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8. AUTHORITY'S/CUSTOMER'S RESPONSIBILITIES

8.1 The Customer's staff will be involved in ongoing design of the course content and learning materials, as laid out in the section 6. Delivery timescales will always need to take full regard of:

8.1.1 The Customer's business cycles e.g. Budget.

8.1.2 Any other major events that will impact on the Customer's capacity.

9. MANAGEMENT INFORMATION/REPORTING

9.1 The Customer expects regular evaluations throughout the Contract. This includes, but is not limited to, formal reviews after the delivery of each course, taking into account feedback provided by course participants.

9.2 The Customer may decide to introduce additional evaluation points in response to requirements set by the Directors of the Group.

10. VOLUMES

10.1 The Supplier will be expected to run two cycles of the programme each year, with the exception of 2020, where they will be expected to run one cycle for November.

10.2 The Customer expects up to 30 participants each cycle. However, this is subject to Ministerial approval of Group headcount and ever-changing business demand.

11. CONTINUOUS IMPROVEMENT

11.1 The Supplier will be expected to continually improve the way in which the required Services are to be delivered throughout the Contract duration.

11.2 The Supplier should present new ways of working and ideas for course content and delivery to the Customer during the post-delivery meetings for each course.

11.3 Changes to the way in which the Services are to be delivered must be brought to the Customer's attention and agreed prior to any changes being implemented.

12. SUSTAINABILITY

12.1 As far as relevant, the Supplier will have regard to minimising the environmental impact of running the programme.

13. DIVERSITY AND INCLUSION

- 13.1 The Supplier will ensure the programme is delivered in an inclusive way, which respects the diversity of course participants.

14. QUALITY

- 14.1 Intended facilitators proposed by the Supplier will have appropriate training qualifications, and/ or significant experience in delivering structured training to high potential individuals.
- 14.2 Post-course participant feedback collected by the Customer should be considered to improve course delivery and design into future courses delivered.

15. PRICE

- 15.1 The total Contract value is £44,000.00 (excl VAT), including all extension options. Bids over this amount will be deemed non-compliant and removed from the competition.
- 15.2 The Customer anticipates that each course cycle will be priced at a maximum of £7,000.00 (excl VAT). This should include the cost of professional trainers and any course learning materials (printing etc.) where relevant.
- 15.3 The Customer expects minimal content design costs at the start of the contract, given the majority of the course content has been developed by the Customer. Any design costs associated with updating the course content should be priced at a maximum of £2000.00 (excl VAT), in addition to the cost of the course cycle.
- 15.4 Prices are to be submitted via the e-Sourcing Suite via Attachment 4 – Price Schedule, excluding VAT and including all other expenses relating to Contract delivery.
- 15.5 Potential Bidders are required to provide costings to deliver the activities as stated within Attachment 3 - Statement of Requirement. A capped cost should be provided to fully deliver the services for both potential options – either face-to-face or virtually. Either option should not exceed the budget for this requirement, which is set at £44,000.00 (excl VAT) including all extension options.

16. 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.

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- 16.3 The Supplier shall ensure that staff understand the Customer's vision and objectives and will provide excellent customer service to the Customer throughout the duration of the Contract.

17. SERVICE LEVELS AND PERFORMANCE

- 17.1 The Customer will measure the quality of the Supplier's delivery by:

KPI/SLA	Service Area	KPI/SLA description	Target
1	Timeline of delivery stages	The key milestones set out in section 7.2 must be met.	Key milestones to be met within three days of the specified date. 100%
2	Effective adoption of the Customer's comments	Redrafts of course content, following comments by policy officials, circulated within 5 working days of comments received. Final course material prepared 5 working days prior to delivery. Feedback being positive at 70% per cycle.	100%
3	Covering all material during delivery	Coverage of at least 90% of course material during delivery.	100%
4	Responsiveness	Invoicing and MI accuracy and timely provision. Redrafts of course content, following comments by policy officials, circulated within 5 working days of comments received. Final course material prepared 5 working days prior to delivery.	100%

- 17.1 The Customer will maintain a record of provider adherence to the agreed service level and performance timelines. Any non-adherence will result in performance review meetings between the Customer and the successful Supplier, to provide a full debrief and explanation as to why the service level agreement was not met. Improvement plans will also be established here.

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- 17.2 Continued failure to meet the service level agreements, defined as twice within any rolling 6 month period, will trigger a performance review meeting and the drafting and implementation of an improvement plan. This improvement plan must be satisfactorily delivered within 30 days of the agreed plan. Where the successful Supplier fails to deliver a plan to the required standard, the Customer reserves the right to terminate the services in line with Attachment 5 - Terms and Conditions.

18. SECURITY AND CONFIDENTIALITY REQUIREMENTS

- 18.1 While employees of the Supplier are attending the Customer's site at 1 Horse Guards Road, London, SW1A 2HQ, they must comply with local security protocol, including being escorted at all times whilst in the building.
- 18.2 Any training material produced for the Contract, or comments on this material made by Customer policy leads, must not be shared further without the consent of the Customer.

19. INTELLECTUAL PROPERTY RIGHTS (IPR)

- 19.1 The IPR for any material or design work created during the term of the Contract for the Introduction to Financial Services Training will remain with the Customer.

20. PAYMENT AND INVOICING

- 20.1 Payment will be structured around the delivery of each cycle.
- 20.2 Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables.
- 20.3 Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.
- 20.4 Invoices should be submitted to a HMT named personnel at the point of award.

21. CONTRACT MANAGEMENT

- 21.1 Attendance at design meetings, post-course evaluation meetings and Contract Review meetings shall be at the Supplier's own expense.

22. LOCATION

- 22.1 The location of the Services will be carried out at a mutually agreed location. It is likely that this will be at the Customer's office: 1 Horse Guards Road, London, SW1A 2HQ.

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