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This document is a copy of Annex 3 of the Agreement.

**ANNEX 3 – SERVICE REQUIREMENTS**

DEFINITIONS

In this Annex, the following definitions shall apply:

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| **“Milestones”**  | delivery of Services within a timed phase of the Agreement as set out at paragraph 6 |
| **“Service Requirements” and“Services”** | means the services required to be delivered by the Supplier as set out at this Annex 3 |
| **“Potential Additional Services”** | means the Services set out at paragraph 3.5 |

# INTRODUCTION

## This Annex 3 details the Service Requirements of this Agreement at paragraphs 3 – 10, including the key performance indicators and service levels.

## The scope of the requirement is to provide a public relations/press office function to the Authority.

## The Authority does not have an active social media presence though it does use LinkedIn to advertise job opportunities and promote some of its work. As a result, producing proactive social media activity on behalf of the Authority is not currently needed as part of the Service Requirements - however effective monitoring of social media is a current part of the requirement.

## **AUTHORITY OBJECTIVES AND AUDIENCE**

## The Authority carries out a wide range of work for government, its objectives are:

## prepare and execute all significant corporate asset sales by the UK Government; and

## advise on other major corporate finance matters, including all major UK Government financial interventions into corporate structures and on major UK government corporate finance negotiations; and

## act as shareholder for, and lead establishment of, UK Government arm’s-length bodies as required and in line with HM Treasury (HMT) priorities.

## The Authority is independent of government and therefore part of the responsibilities of the Supplier will be to earn and maintain that independence in the eyes of the media, general public and parliamentarians.

## The Authority is responsible for 22 portfolio companies, (see Appendix 1 for a list of these companies). From March 2018 it will also be responsible for Royal Bank of Scotland (RBS) and UK Asset Resolution Ltd (UKAR) which have been managed by UK Financial Investments Ltd (UKFI). Therefore it is likely to generate significant amounts of media interest and work. Please note that UKAR has a current Agreement for PR advice and this Agreement, and any Potential Additional Services under it, shall not include UKAR PR activity.

## The Authority has a diverse set of audiences, and these differ depending on which specific assets the PR activity is supporting. At a corporate level, the general audience for the Authority can be broken down into the following:

### Potential investors in the Authority’s assets

### Trade associations in this finance and public relations sector and business representative groups. List of main groups the Authority is aware of is at Appendix 2 to this Annex 3.

### Parliamentarians – MP’s and Lords

### Business and financial media

### Other Government departments and agencies

Given that the Authority has no direct responsibility or influence over organisations within the list above, the Supplier is expected to update and maintain their own knowledge regarding Authority audiences.

# SERVICE REQUIREMENTS

## The Service Requirements comprise of the three areas set out below (and at 3.4, 3.5 and 3.6) along with the requirements detailed at paragraphs 4 through to (and including) 10 which include reporting, key milestones, key performance indicators and service levels linked to the Service Requirements:

## **Business as usual services**, for which there will be a set monthly retainer payable to the Supplier, will include but not be limited to:

## Delivery of a media communications strategy.

## Delivery of a media engagement programme.

## Regular/ daily/ monthly duties.

## **Potential Additional Services**:

PR services for potential future transactions for which the Supplier may be awarded the work on a call off basis under this Agreement.

## **Capability**:

The level of capability the Supplier is required to maintain and make available to the Authority throughout the term of this Agreement.

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## **BUSINESS AS USUAL SERVICES**

## The Supplier shall:

### Provide a sufficient level of resource throughout the duration of the Agreement in order to consistently deliver the Service Requirements.

### Work with the Authority to develop and deliver a comprehensive media communications strategy which is refreshed every 6 months. In line with the Authority’s objectives at paragraph 2.1, the strategy shall:

* + - * 1. Position the Authority as ‘the government centre of excellence in corporate finance and governance’ and an effective steward of the government and the wider public sector assets; and
				2. Increase the profile of the Authority and engage the media to enhance and protect the reputation and public profile of the Authority; and
				3. Ensure the target audiences in paragraph 2.4, and those that have influence on the target audiences understand the Authority’s corporate narrative; and
				4. Support, at a minimum, an accurate and balanced view of the government and the Authority’s role, principally through media and commentary; and
				5. Anticipate scenarios across the portfolio which bear relevance to the Authority as a shareholder; and
				6. Provide financial communications and strategic support for projects undertaken by the Authority across government, and the wider Public Sector:

### Advising on commercial transactions, especially financial assets disposals; and

### Managing both corporate and political messages.

### Deliver a proactive targeted media engagement programme, the programme shall:

* + - * 1. Provide a clear, simple, multi-channel communications 12 month programme to keep key parts of the media up to date with the work of the Authority and to continue to build the Authority’s profile. The media engagement programme will be reviewed monthly and refreshed at the annual contract review meeting; and
				2. Support the Authority in delivering the above 12 month programme; and
				3. Provide proactive communications planning; principally through background briefings and relationship-building with the Authority’s audiences, as set out in paragraph 2.4; and
				4. On-the-record commentary should be reserved for instances where the Authority either cannot avoid making a statement or where it has a planned set-piece announcement, such as a disposal; and
				5. Create, build interest in and excitement around, asset disposals.

### Provide daily support including:

### a daily email media intelligence digest to all current staff (monitoring all forms of media) providing insights into the media landscape. This should cover media intelligence with a summary covering all assets across which the Authority manages; and

### intra-day coverage reports / call logs by email between the successful Supplier and the Authority on days of announcements; and

### intra-day coverage (by email) of relevant breaking stories; and

### acting as the Authority press office, handling reactive media enquiries – after consultation with the Authority.

### Work with the Authority to develop appropriate communications materials (press notices briefing notes, RNS’s etc.).

### Provide media/PR training sessions to all identified key figures, as and when required by the Authority.

### Provide public affairs support to senior figures at the Authority by supporting their parliamentary activity and managing their reputations with parliamentarians. Including, but not limited to, supporting their appearances at select committees by:

### providing appropriate briefing on the select committees and their members; and

### holding face-to face briefing sessions with the Authority including dummy runs ahead of such appearances.

### Attend and take active part in weekly meetings.

### Attend and take active part in quarterly and annual performance reviews.

## **POTENTIAL ADDITIONAL SERVICES**

## 3.5.1 The basic scope of potential future PR activity is set out below. Where at its sole discretion the Authority requests, the Supplier shall:

### Advise the Authority, relevant government departments and wider public sector on a targeted media engagement programme and develop the necessary materials; and/or

### Provide necessary media monitoring during any transactions including (but not limited to) national, broadcast, regional, specialist and social media; and/or

### Work with a number of interested parties and key stakeholders including (but not limited to): other government and the wider public sector press offices, banks, lawyers, special advisors and Ministers; and/or

### Advise on tactical and strategic interventions which can be made to relay government messages successfully; and/or

### Flex resources to react to and cover intense bursts of activity and periods of less intensity; and/or

### Provide media/PR training session to prepare each identified Authority individual with skills and confidence to as and when required; and/or

### Sign an non-disclosure agreement (NDA); and/or

### Attend and take active part in meetings as required.

### There may be instances in which, despite a request from the Authority for the Supplier to undertake Potential Additional Service(s), the Supplier is not suitable to provide the Potential Additional Service(s). Such instances are set out below:

### Where a conflict of interest is identified; and/or

### Where it is not value for money to use the Supplier; and/or

### Where the budget for this Agreement has been exceeded; and/or

### Where the Supplier identifies it is unable to carry out the specific work for reasons it communicates in writing to the Authority and which are accepted by the Authority.

### The Authority will discuss the Potential Additional Service(s) required with the successful Supplier. If, at the sole discretion of the Authority, the reasons identified at 3.5.2 apply then the Authority will undertake a separate process to secure an alternative provider.

### If, at the sole discretion of the Authority, it is deemed suitable for the Supplier to carry out the Potential Additional Service(s) then the Charges set out at Annex 2 of this Agreement will apply.

## **CAPABILITY**

The Supplier shall:

### Make available to the Authority a senior and experienced team of financial communications professionals with expertise in dealing with the financial media and business press and supporting transactions.

### Actively maintain the same, or greater, level of capability displayed in their successful tender for this Agreement.

### Be flexible and have the capability to draw on additional resource as and when required. This resource must be fully briefed individuals that are up to speed on the work of the Authority and have the capability to understand the requirement and deliver at pace.

### Have an understanding of a PR Agency’s role and responsibilities in terms of the legal framework under which transactions take place and how their work can affect the market; and how to mitigate this.

### Ensure its staff understand the Authority’s vision and its objectives throughout the duration of the Agreement.

#### Carry out the functions of a press office for the Authority, issue RNS’s, providing media intelligence and public affairs advice and services.

#### Adhere to Market Abuse Regulations.

# REPORTING

The Supplier shall:

## Provide a quarterly dashboard of trends consistent with the Government Communication Service GCS framework. <https://gcs.civilservice.gov.uk/wp-content/uploads/2016/01/GCS-Evaluation-Framework.pdf>

## Provide ad hoc reports and data to the Authority, within 48 hours of the request, which shall include but not be limited to the requirements listed at paragraph 7, key performance indicators.

## The Authority reserves the right to amend the reporting requirement during the life of the Agreement.

# LOCATION

## The Services will be carried out at the Supplier’s premises. The Supplier shall attend meetings, as set out in these Services Requirements, at the Authority premises at 1 Victoria Street, London, SW1H 0ET.

# KEY MILESTONES

* 1. The Authority expects to see a phased approach:
		1. immersion - getting to know the Authority; then
		2. preparation - developing appropriate communications strategies and products; then
		3. delivery - using a full mix of proactive PR tactics and tools to support the Authority objectives.
	2. The following Milestones will be used to measure delivery:

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| --- | --- | --- | --- |
| **Phase** | **Milestone** | **Description** | **Timeframe** |
| Immersion | 1 | Set up meeting to discuss Service Requirements and discuss key work needed over the next 12 months  | Within week 1 of Agreement Award  |
| Preparation | 2 | Develop a media communications strategy  | Within 2 months of Agreement Award |
| Preparation  | 3 | Develop and agree an exit management plan.  | Within 3 months of Agreement Award |
| Delivery | 4 | Review media engagement programme | Monthly  |
| Delivery | 5 | Refresh media communications strategy  | Every 6 months |
| Delivery | 6 | Meeting recommendations set in the quarterly and annual reviews of performance | To be determined in the annual and quarterly reviews |
| Delivery | 7 | Potential Additional Services – Bespoke project milestones for Potential Additional Services | To be determined by Potential Additional Services |

# KEY PERFORMANCE INDICATORS

### Supplier performance will be measured on the following KPI’s during the Agreement. All KPIs will be reviewed during quarterly and annual performance reviews:

#### MEDIA IMPRESSIONS:

#### The number of mentions of the Authority in national, regional and specialist media – an increase of 20% over the first year from the figure provided by the Authority at the commencement of the Agreement.

#### The potential number of negative articles about the Authority or its assets kept out of the media by the Supplier – a simple running number is sufficient.

#### SENTIMENT SCORE: 60% of all articles which focus on the Authority should be positive or neutral.

#### WEBSITE TRAFFIC: the number of visits to new Authority website – page impressions and dwell time (this should be linked to on-going proactive work the Supplier will develop and deliver to support the Authority’s operating model).

#### AWARENESS: an increase in the recognition of the Authority among key audiences at paragraph 2.4 as evidenced by the Supplier via methods to be agreed with the Authority during the Immersion and/or Preparation phase.

#### MI: to include the above and any data agreed during the life of this Agreement and/or as part of any Potential Additional Services.

# Business as usual service levels and performance

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| --- | --- | --- |
| **Service** | **Service Level Description** | **Target** |
| Quality of work and content | All communications products (including, but not limited to, RNS’s, press notices, briefing materials) must be technically accurate and meet the communications needs of the Authority. Technical accuracy, consistency with the broader communications strategy and programme, and polished presentation (including accurate Grammar and spelling) are required.  | 100% |
| Coverage reports  | Three intra-day coverage reports on days of announcements |  98% |
| On call: 24 hours Service  | The Supplier shall respond, within 2 hours, to all requests for reputation management support by the Authority, 24 hours a day, 365 days a year. | 98% |
| Provision of media/PR training to all identified key figures | The Supplier is to provide media/PR training session to prepare each identified Authority individual with skills and confidence to fulfil this requirement, and when a requested, a plan for the individual’s further development. | 100% |
| Regular attendance at ‘keep in touch’ meetings (face to face or via telephone) | The Supplier will meet with the Authority within the first week of the Agreement and agree how the relationship between both parties will work. Regular meetings to be held monthly, with daily meetings if required.  | 98% |
| Media intelligence Digest | Daily email intelligence digest to all current staff by 9.30am each working day. This should cover media intelligence with a summary covering all assets which the Authority manages. | 98% |
| Evaluation  | The Supplier shall evaluate the work carried out for Authority at least twice a year. This evaluation shall be carried out in line with the Government Communication Service guidelines – <https://gcs.civilservice.gov.uk/wp-content/uploads/2016/01/GCS-Evaluation-Framework.pdf>  | 100%  |
| Media engagement programme  | The Supplier shall design and deliver a programme of external communications to inform key audiences of the role and objectives of the Authority.This is a rolling requirement which should continue over the lifetime of the Agreement. | 100%  |
| Reporting Requirements  | Ad hoc reports and data from the Supplier as requested by the Authority.  | Requests completed within 48 hours.  |

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# Potential Additional service levels and performance

Service levels for Potential Additional Services will be agreed with the Supplier at call off, however they will be based on the Service levels below with supplementary Service levels as agreed at the point of call off.

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| **Service** | **SLA Description** | **Target** |
| Quality of work and content | All communications products (including, but not limited to, RNS’s, press notices, briefing materials) must be technically accurate and meet the communications needs of the Authority. Technical accuracy, consistency with the broader communications strategy and programme, and polished presentation (including accurate Grammar and spelling) are required. | 100% |
| Coverage reports  | Three intra-day coverage reports on days of announcements | 100% |
| On call: 24 hours Service  | The Supplier shall respond, within 2 hours, to all requests for reputation management support by the Authority, 24 hours a day, 365 days a year. |  |
| Regular attendance at ‘keep in touch’ meetings (face to face or via telephone) | The Supplier will meet with the Authority within the first week of being awarded any Potential Additional Services to agree how the relationship between both parties will work, and how often regular ‘keep in touch’ meetings will happen.  | 98% |
| Evaluation  | The Supplier shall evaluate the work carried out for Authority at least twice a year. This evaluation shall be carried out in line with the Government Communication Service guidelines – <https://gcs.civilservice.gov.uk/wp-content/uploads/2016/01/GCS-Evaluation-Framework.pdf>  | 100%  |
| Future transactions and/or asset disposals – Potential Additional Services  | The Supplier shall provide Potential Additional Services as described in these Services Requirements.  | To be determined by Potential Additional Services as and when they arise.  |
| Reporting Requirements  | Ad hoc reports and data from the Supplier as requested by the Authority.  | Requests completed within 48 hours.  |

# Exit Management

#### The Supplier shall;

#### Ensure the smooth transition of the availability of the Services from the Supplier to the Authority and / or an incoming Supplier at the expiry of the Agreement.

#### Within 3 months start of the Agreement the Supplier shall create and agree an exit plan with the Authority. This exit plan will be reviewed and maintained during quarterly and annual performance review meetings.

#### Provide an exit plan which sets out the proposed methodology for achieving an orderly transition of the Services from the Supplier to the Authority and/or its incoming Supplier on the expiry or termination of this Agreement;

#### As a minimum, provide an exit plan which sets out:

* + - * 1. how exit information will be obtained; and
				2. the management structure to be employed during both transfer and cessation of the Services; and
				3. a detailed description of both the transfer and cessation processes, including a timetable; and
				4. how the Services will transfer to an incoming Supplier and/or the Authority; and
				5. proposals for providing the Authority or an incoming Supplier copies of all documentation:

used in the provision of the Services and necessarily required for the continued use thereof, in which the Intellectual Property Rights are owned by the Supplier; and

relating to the use and operation of the Services;

* + - * 1. proposals for the supply of any other information or assistance reasonably required by the Authority or an incoming Supplier in order to effect an orderly handover of the provision of the Services.

#### On reasonable notice, at any point during the Agreement, the Supplier shall provide to the Authority any exit information in order to facilitate the preparation by the Authority of any invitation to tender and/or to facilitate any potential incoming Suppliers undertaking due diligence.

#### Acknowledge that the Authority may disclose the Supplier's Confidential Information to an actual or prospective incoming Supplier or any third party whom the Authority is considering engaging to the extent that such disclosure is necessary in connection with such engagement (except that the Authority may not disclose any Supplier’s Confidential Information which is information relating to the Supplier’s or its Sub-Contractors’ prices or costs).

# Appendix 1

# PORTFOLIO COMPANIES THE AUTHORITY ARE RESPONSIBLE FOR. This list may be updated from time to time:

## British Business Bank;

## CDC - Development Finance Institution;

## Channel 4;

## Companies House;

## Electrical Settlements Company;

## Highways England;

## Insolvency Service;

## Land Registry;

## London & Continental Railway;

## Low Carbon Agreements Company;

## National Air Traffic Services (NATS);

## National Nuclear Laboratory;

## Network Rail;

## Nuclear Decommissioning Authority;

## Nuclear Liabilities Fund;

## Oil & Gas Authority;

## Ordnance Survey;

## Post Office Limited;

## Royal Mint:

## UK Export Finance;

## Urenco

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# Appendix 2

Trade associations in this finance and public relations sector and business representative groups including but not limited to:

## UK Finance;

## Confederation of British Industry (CBI);

## Institute of Directors (IOD);

## Financial Conduct Authority (FCA);

## Prudential Regulation Authority (PRA)