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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 2017.

## 2. BACKGROUND TO THE CONTRACTING AUTHORITY

- 2.1 The Authority 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 aims to be a high performing organisation, able to work effectively with its many stakeholders.
- 2.2 The Authority'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 Authority, 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 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

- 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, 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.

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- 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, it was decided to proceed with the procurement of a longer term contract for six-monthly courses in the same model.
- 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 Authority and the Supplier.
- 3.7 The training will take place over 3 days, to be delivered non-consecutively over no more than three weeks.
- 3.8 The training will be delivered at a location to be mutually agreed by the Authority and the Supplier. The Supplier will need to provide separate prices for Delegate training and also prices for the provision of a venue, within Appendix E, Pricing Schedule.
- 3.9 While the Supplier may provide e-learning / text resources (such as pre-reading) to supplement the training, the main training should be delivered in a face-to-face format during the specified sessions.

**4. DEFINITIONS**

Expression or Acronym	Definition
Authority	HM Treasury (see paragraphs 2.1 and 2.2)
EU	European Union



Group	The Financial Services Group within HM Treasury (see paragraphs 2.3 and 2.4).
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 3 day detailed course explaining the UK financial services industry by an 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; suppliers 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;

5.1.2 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 Authority 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 The Introductory Training is Level 1 of a holistic, three level financial services development programme. Level 2 (Masterclasses) and Level 3 (external learning opportunities) will be developed in late 2017 / early 2018 and will be procured separately to Level 1.



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- 6.3 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 Authority's management structure.
- 6.4 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 services industry beyond that of the intelligent general public should be assumed.
- 6.5 The course will equip participants with a broad understanding of the fundamentals of financial markets. 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.
- 6.6 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.
- 6.7 The course will be composed of three separate days over three consecutive weeks.
- 6.8 The Authority expects a high-quality, rigorous, innovative and stimulating course, drawing on both conventional and interactive learning techniques.
- 6.9 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.
- 6.10 The Level 1 "Introduction to Financial Services Training" will run every six months, in April and October/November. Precise dates will be set by the Authority, with two months' notice given. These will depend on whether the Supplier has suggested continuous or non-continuous sessions.
- 6.11 As set out in part 3, the location of the training will be mutually agreed between the Authority and the Supplier. Tender responses must set out separate prices with and without the provision of a venue for the training.
- 6.12 The required minimum scope of the coverage of the curriculum is set out in [6.14]. The Supplier is expected to liaise with the relevant policy leads from the Authority 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 Authority needs.
- 6.13 The Supplier must iterate the content until policy leads are satisfied. Where required, they must meet with Authority policy leads to discuss and refine content as many times as the Authority requires.
- 6.14 At a minimum, the course must cover the following topics:
- Financial markets and the UK financial sector
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- What are financial markets and how do they work?
  - The UK financial sector
  - Interaction between financial services sub-sectors
  - 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
    - Banks and building societies, and the key differences between the two types of institution
    - Asset managers, hedge funds, sovereign wealth funds, private wealth management
    - How financial institutions provide liquidity
    - Exclusion from financial markets
  - Markets and financial instruments
    - Debt, credit, and equity
    - The difference between primary and secondary markets, and the interaction between the two
    - Bonds
    - Equities
    - Derivatives (including futures, options and swaps)
  - UK regulatory architecture
    - The Financial Conduct Authority, the Bank of England and the Prudential Regulation Authority
    - Changes to regulation post-financial crisis changes
    - Regulatory requirements for banks and building societies
    - 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
    - The main US regulatory architecture and institutions
  - Market infrastructure
    - Counterparty clearing houses
    - Benchmarks
    - Credit Default Swaps
    - Payment systems
  - 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 (e.g. Basel)
    - UK's key partners in terms of FS flows (US, Switzerland, Japan), international financial centres (i.e. which ones are key around the world – London, New York, Hong Kong, Singapore etc.) and new/emerging markets (China, India)
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- Other financial services sectors– FinTech, Green finance, Islamic finance
- Role of Free Trade Agreements and trade for financial services
- Introduction to financial stability and its importance for financial services

6.15 The Authority may change and refine the scope of the curriculum during the contract.

## 7. KEY MILESTONES

7.1 The Potential Provider should note the following project milestones that the Authority will measure the quality of delivery against.

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

## 8. AUTHORITY'S RESPONSIBILITIES

8.1 The Authority's staff will be involved in ongoing reviews of design of the course content and learning materials, as laid out in the section 7. Delivery timescales will always need to take full regard of:

8.1.1 The Authority's business cycles e.g. the annual Autumn Budget and the new Spring Statement from 2018.

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



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## 9. REPORTING

- 9.1 The Authority 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 Authority 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 2017, where they will be expected to run one cycle for November.
- 10.2 The Authority 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 Authority 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 Authority'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. QUALITY

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

## 14. PRICE

- 14.1 Prices are to be submitted using Appendix E, Pricing Schedule and should be inclusive of any expenses but exclusive of VAT.
- 14.2 The training will be delivered at a location to be mutually agreed by the Authority and the Supplier. The Supplier will need to provide separate prices for Delegate training and the provision of a venue, within the Appendix E Pricing Schedule.
- 14.3 All travel and other costs in the design and delivery of this training should be included in the price submission per Delegate. These costs will be required to be itemised in Appendix E, Pricing Schedule.



**15. STAFF AND CUSTOMER SERVICE**

- 15.1 The Authority requires the Supplier to provide a sufficient level of resource throughout the duration of the Introduction for Financial Services Training Contract in order to consistently deliver a quality service to all Parties.
- 15.2 Supplier's staff assigned to the Introduction to Financial Services Training Contract shall have the relevant qualifications and experience to deliver the Contract.
- 15.3 The Supplier shall ensure that staff understand the Authority's vision and objectives and will provide excellent customer service to the Authority throughout the duration of the Contract.

**16. SERVICE LEVELS AND PERFORMANCE**

- 16.1 The Authority will measure the quality of the Supplier's delivery by:

KPI/SLA	Service Area	KPI/SLA description	Target	Service Credits
1	Timeline of delivery stages.	The key milestones set out in section 7.1 must be met.	Key milestones to be met within three days of the specified date.	2% of course charge for every working day late.
2	Positive feedback.	Feedback being positive at 70% per cycle.	Feedback from at least 75% of participants.	5% compensation of the cycle's delivery costs to the Authority for failure to meet the criteria.
3	Covering all material during delivery.	Coverage of at least 90% of course material during delivery.	Over 90% of material covered during delivery.	An observer from the Authority judges that significant proportion of material has been missed, then a reimbursement charge of 15% will be accrued by the Supplier.
4	Responsiveness.	Invoicing and MI accuracy and timely provision.	100%	0.5% of the cycle costs if Invoicing is inaccurate and not delivered in



				a timely manner.
5	Up to date material.	Material updated prior to every delivery cycle.	No out of date information in material delivered.	The Supplier will accrue a reimbursement charge of 5% if the Authority judge the material provided to be inconsistent with current industry practice.

16.2 In the case of poor performance refer to the Termination Clause in Appendix C. This is only to be used as a last resort and any underperformance would be managed by the Authority following due process. Poor Supplier performance can be defined as:

16.2.1 Design of qualification not meeting deadlines.

16.2.2 Delivery of the qualification not achieved within the allotted timeframe.

16.2.3 Poor quality and low standard trainers.

16.2.4 Qualification not meeting the required standards or having adequate, or relevant content.

16.2.5 Feedback from participants highlighting issues that need addressing.

16.2.6 A lack of respect and understanding for the Authority's style, culture and values demonstrated by any trainer.

16.3 The Authority appreciates it is difficult to quantify the above points and will enter into dialogue with the supplier to put improvement plans in place.

16.4 In the event of a contract termination, the supplier will provide all materials and work in progress to the Authority. The supplier will not be permitted to use any material/WIP for their own use.

## 17. SECURITY REQUIREMENTS

17.1 While employees of the Supplier are attending the Authority's site at 1 Horse Guards Road, London, SW1A 2HQ, they must comply with local security protocol.

17.2 Any training material produced for the Contract, or comments on this material made by Authority policy leads, must not be shared further without the consent of the Authority.

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**18. INTELLECTUAL PROPERTY RIGHTS (IPR)**

18.1 All IPR rights are outlined in Appendix C (Terms and Conditions).

**19. PAYMENT**

19.1 Payment will be structured around the delivery of each cycle.

19.2 Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables.

19.3 Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.

**20. LOCATION**

20.1 The location of the Services will be carried out at a mutually agreed location, as set out in section 5.