

SCHEDULE 3 GOVERNANCE AND CONTRACT MANAGEMENT**PART 1: PREAMBLE****1 Overview**

- 1.1 This schedule describes the structures, roles and responsibilities, processes, information provision and assurance processes relating to formal and ad-hoc decision-making in this Contract.
- 1.2 A summary of the governance deliverables required within this Schedule 3 is set out in part 7.
- 1.3 The minimum content required in respect of each of the governance deliverables is set out part 8.
- 1.4 A schematic diagram is contained at part 9 to this Schedule 3.

PART 2: IMPLEMENTATION WORKING GROUP**2 Functions of the Implementation Working Group (IWG)**

- 2.1 Within ten (10) Business Days of the Effective Date, the Parties shall hold the first meeting of the IWG and thereafter on a fortnightly basis.
- 2.2 The functions of the IWG during the Implementation Phase shall include:
- 2.2.1 reviewing progress against the key milestones set out in the Implementation Programme;
 - 2.2.2 considering risks to this Contract and identifying and monitoring risk mitigation activities in the Risk Register;
 - 2.2.3 delivering a joint presentation (as required) to each Establishment in order to demonstrate a collaborative working approach and ensure communications with stakeholders in accordance with Schedule 5; and

3 Constitution of the IWG

- 3.1 Unless otherwise determined by agreement between the Parties, the number of members of the IWG shall be three (3) of the Contractor's implementation team, the Level 2 Chairman, the Level 3 Chairman and at least a further two (2) of the Authority's PCWG members.
- 3.2 At the Effective Date, the Contractor shall appoint its members of the IWG as identified in Schedule 11 (Key Personnel). The IWG shall be chaired by an Authority representative (the "IWG Chairman") appointed from time to time by the Authority. The Contractor shall provide a board secretary (the "IWG Secretary").
- 3.3 The Authority may in its sole discretion require a member of the IWG appointed by the Contractor to be removed from the IWG by giving written notice to the Contractor. On receipt of such notice the Contractor shall replace such member as soon as practicable. Each Party shall ensure that its PCWG members are representatives of that Party actively involved in the implementation of this Contract.
- 3.4 Each Party may invite any other person to attend any meeting of the IWG provided that the Party issuing the invitation ensures that any such person signs an undertaking with the Authority confirming that it complies with all relevant security requirements as detailed in clause 58.
- 3.5 Meetings of the IWG shall take place at such location as the IWG Chairman shall notify to the IWG from time to time.
- 3.6 No business shall be transacted at any meeting of the IWG unless a quorum is present. The quorum shall be three (3) members from the Authority and three (3) members from the Contractor. Irrespective of the number of attendees at the IWG, both Parties will have three (3) votes each on all voting matters. Where the IWG cannot reach agreement by a simple majority vote, the IWG Chairman shall have the casting vote.
- 3.7 If required, a contractor representative from the Previous Contract may attend any meeting of the IWG.

4 Contractor's responsibilities in respect of all IWG Meetings

4.1 The Contractor shall:

- 4.1.1 organise, attend and provide secretariat and administrative support;
- 4.1.2 ensure the attendance of all relevant persons, and that they are notified of the time and date of the meeting in sufficient time to enable them to attend;
- 4.1.3 be responsible for all relevant administrative arrangements.

4.2 The IWG Secretary shall:

- 4.2.1 issue a calling notice to each member of the IWG at least five (5) Business Days prior to the first meeting, and thereafter pre-book fortnightly dates as agreed by the IWG at the first meeting; and
- 4.2.2 update the Implementation Progress Report recording all agreed actions and timescales;

5 Implementation Progress Report

5.1 The IWG shall review the Implementation Progress Report as a live document at all IWG meetings agreeing actions and timescales and reflecting what has been achieved against the Implementation Programme.

PART 3: STRATEGIC BOARD**6 Functions Of The Level 1 Strategic Board**

- 6.1 The functions of the annual Strategic Board shall include:
- 6.1.1 reviewing and advising the Authority and the Contractor on:
 - 6.1.1.1 the operation and management of this Contract at a strategic level and the provision of the Training Services by the Contractor, interfaces between the Contract and other contracts, ensuring that the Contract remains aligned with wider defence strategic objectives and initiatives;
 - 6.1.1.2 business strategy and delivery of FOST's contribution to the Navy Board's Strategic Objectives;
 - 6.1.1.3 current, and possible future constraints on the provision of the Training Services;
 - 6.1.1.4 the boundaries and scope of this Contract; and
 - 6.1.1.5 priorities as to the allocation of available resources and budget;
 - 6.1.2 monitoring that this Contract is operated throughout the period of the Contract in a manner which optimises the value for money for and operational benefit derived by the Authority and the commercial benefit derived by the Contractor;
 - 6.1.3 reviewing the Training Optimisation benefits in the Training Optimisation Benefits Statement against the outputs of the Training Optimisation Programme; and reviewing the outputs of the Training Optimisation Plan as detailed in clause 34.
 - 6.1.4 reviewing the Annual Financial Report and the Risk Statement;
 - 6.1.5 reviewing the draft Annual Report provided by the Operating Board, agreeing amendments to it and endorsing it as the Annual Report subject to the amendments being carried out; and
 - 6.1.6 considering and where possible resolving any issues and/or disputes referred to it by the Operating Board, and referring any unresolved disputes to the Dispute Resolution Procedure (Clause 90).

7 Constitution of the Strategic Board

- 7.1 Unless otherwise determined by agreement between the Parties, the number of members of the Strategic Board shall be three (3) members from the Contractor's senior representatives, the Level 1 Chairman, the Level 2 Chairman, the Authority's Nominated Commercial Officer and at least a further two (2) of the Authority's representatives.
- 7.2 At the Effective Date, the Contractor shall appoint its members of the Strategic Board as identified in Schedule 11 (Key Personnel). The Strategic Board shall be chaired by a

senior Authority representative (the “Level 1 Chairman”) appointed from time to time by the Authority. The Contractor shall provide a board secretary (the “Strategic Board Secretary”).

- 7.3 Each Party shall be entitled to remove from office and replace any member appointed by it who has resigned from office provided that written notice of such replacement shall be sent to the other Party within two (2) Business Days of the replacement or before the next meeting of the Strategic Board, whichever is the sooner.
- 7.4 Any member appointed by the Contractor to the Strategic Board shall be a UK national and have the relevant security clearances as stated in clause 58 unless otherwise agreed by the Authority.
- 7.5 Each Party may appoint a person to act as an alternate to its Strategic Board member at any meeting of the Strategic Board, and may revoke any such appointment. Written notice of any such appointment or revocation shall be given to the other Party in the manner specified in paragraph PART 17.3. Any alternate appointed by the Contractor to the Strategic Board must comply with the requirements of paragraph PART 17.4.
- 7.6 A member of the Strategic Board may be removed at any time by the Party by whom he was appointed by giving him written notice and a copy of it to the other Party.
- 7.7 The Authority may in its sole discretion require a member of the Strategic Board appointed by the Contractor to be removed from the Strategic Board by giving written notice to the Contractor stating when such member shall be removed and a copy of it to the member. On receipt of such notice the Contractor shall replace such member as soon as practicable and in any event within such time as shall ensure that the next meeting of the Strategic Board is quorate. Any such member appointed by the Contractor to the Strategic Board must have received the prior written approval of the Level 1 Chairman.
- 7.8 Each Party may invite any other person or persons (including any key subcontractor) to attend any meeting of the Strategic Board, and the relevant Party shall procure that any person invited by it signs an undertaking with the Authority confirming that it complies with all relevant security requirements as detailed in clause 58.
- 7.9 The first Strategic Board meeting shall be called an Initial Strategic Board meeting and shall take place within ten (10) Business Days of the Service Commencement Date. The Initial Strategic Board shall review the results of the Implementation Programme.
- 7.10 Thereafter the Strategic Board shall be held annually in April of each Contract Year and otherwise, as may be deemed necessary by the Level 2 Chairman in accordance with paragraph 9.1 below.
- 7.11 Meetings of the Strategic Board shall take place at such locations as the Level 1 Chairman may notify to the Strategic Board from time to time.
- 7.12 No business shall be transacted at any meeting of the Strategic Board unless a quorum is present. The quorum shall be three (3) members from the Authority and three (3) members from the Contractor. Irrespective of the number of attendees at the Strategic Board, both Parties will have three (3) votes each on all voting matters. Where the Strategic Board cannot reach agreement by a simple majority vote, the Level 1 Chairman shall have the casting vote.

- 7.13 A quorum for the purposes of paragraph 6.1.6 shall require the full Strategic Board as identified in paragraph 7.1.
- 7.14 Subject to the above provisions, the Strategic Board may otherwise regulate the conduct of its meetings as it considers appropriate.

8 Responsibilities in relation to Strategic Board meetings

- 8.1 Not less than fifteen (15) Business Days before each Strategic Board meeting, the Contractor shall provide the Authority with the draft Annual Report.
- 8.2 In respect of each Strategic Board meeting, the Contractor shall:
- 8.2.1 organise, attend and provide secretariat and administrative support; and
 - 8.2.2 be responsible for all relevant administrative arrangements.
- 8.3 The Strategic Board Secretary shall:
- 8.3.1 issue a calling notice to each member of the Strategic Board at least two (2) months before the scheduled date of the meeting;
 - 8.3.2 issue the agenda together with any accompanying papers to each member of the Strategic Board at least fifteen (15) Business Days before the scheduled date of the meeting;
 - 8.3.3 issue for approval the draft minutes to the Authority within five (5) Business Days of the meeting,
 - 8.3.4 on receipt of approved final minutes from the Authority, issue the approved final minutes to each member of the Strategic Board;
 - 8.3.5 carry out the agreed amendments to and publish the Annual Report;
- 8.4 The Authority shall:
- 8.4.1 release the approved final minutes within five (5) Business Days of receipt of the draft minutes from the Strategic Board Secretary.

9 Ad Hoc Strategic Board Meetings

- 9.1 Any member of the Strategic Board may request the Level 1 Chairman to call an unscheduled meeting (an "Ad Hoc Strategic Board Meeting") by serving a minimum of fifteen (15) Business Days' Notice on all other members (an "Ad Hoc Strategic Board Meeting Notice") setting out the reasons why the Ad Hoc Strategic Board Meeting has been called and the issues to be discussed or resolved in it.
- 9.2 An Ad Hoc Strategic Board Meeting shall only be called in the following circumstances:
- 9.2.1 in connection with:
 - 9.2.1.1 a security incident or an interruption of any of the Services which is considered to be significant by the member of the Strategic Board calling the meeting;

- 9.2.1.2 clause 88 (Measures in a Crisis);
- 9.2.1.3 clause 89 (Authority Step-In);
- 9.2.1.4 termination or partial termination in accordance with clause 65;
or
- 9.2.1.5 in the event of a Dispute being referred by the Operating
Board in accordance with clause 90 (Dispute Resolution);
- 9.2.2 where the Level 1 Chairman considers that it is needed in order to address a
matter which requires urgent consideration; or
- 9.2.3 where both Parties agree that such a meeting should be held.

PART 4: OPERATING BOARD**10 Functions of the Level 2 Operating Board**

- 10.1 With effect from the Service Commencement Date, the Parties shall hold a meeting of the Operating Board on a quarterly basis. The Operating Board meetings shall be held during March prior to the annual Strategic Board (for the avoidance of doubt the first Operating Board shall be held two months after the Service Commencement Date), June, September and December of each Contract Year.
- 10.2 The functions of the Operating Board shall include:
- 10.2.1 reviewing the Monthly Performance Reports for the previous quarter provided by the PCWG;
 - 10.2.2 reviewing management information relating to the delivery of this Contract as specified in Annex E to Schedule 2 (Statement of Requirements);
 - 10.2.3 reviewing the draft Quarterly Report including:
 - 10.2.3.1 the audit results in accordance with Schedule 12;
 - 10.2.3.2 the Performance Register in accordance with Schedule 12;
 - 10.2.3.3 the quarterly Public Store Account Reports in accordance with clause 29;
 - 10.2.3.4 the Training Optimisation Programme in accordance with clause 34
 - 10.2.3.5 the Financial Reports in accordance with clauses 35 and 37; and
 - 10.2.3.6 the Risk Report and associated risk mitigation activities; agreeing the risks to be raised to Level 1 for the Risk Statement.
 - 10.2.4 reviewing the results of any Training Optimisation Review conducted in the preceding quarter in accordance with clause 34;
 - 10.2.5 considering any recommendations by the PCWG as to any adjustments to the annual In Year Change Envelope delegation to Establishments, following which the Authority may in its absolute discretion issue a written direction specifying any adjustment to the In Year Change Envelope delegation;
 - 10.2.6 considering proposed amendments to the delivery of Training Services in accordance with clause 9, provided that it shall be at the Authority's sole discretion whether or not any such amendments may be implemented;
 - 10.2.7 directing future audit activities as required against management information;
 - 10.2.8 agreeing amendments to the draft Quarterly Report and endorsing it as the Quarterly Report subject to the amendments being carried out;

- 10.2.9 considering in good faith any issues and/or disputes which have been referred to the Operating Board, and referring any issue or dispute that is not resolved by the Operating Board to the Strategic Board; and
- 10.2.10 at every 4th meeting (March), producing the draft Annual Report for Strategic Board review.

11 Constitution of the Operating Board

- 11.1 Unless otherwise determined by agreement between the Parties, the number of members of the Operating Board shall be three (3) members from the Contractor, the Level 2 Chairman, the Level 3 Contract Performance Manager (East) and the Level 3 Contract Performance Manager (West), the Level 3 Change Manager, the Authority's Nominated Commercial Officer and at least a further two (2) of the Authority's representatives.
- 11.2 At the Effective Date, the Contractor shall appoint its members of the Operating Board as identified in Schedule 11 (Key Personnel). The Operating Board shall be chaired by an Authority representative (the "Level 2 Chairman") appointed from time to time by the Authority. The Contractor shall provide a board secretary (the "Operating Board Secretary").
- 11.3 Each Party shall be entitled to remove from office and replace any member appointed by it who has resigned from office provided that written notice of such replacement shall be sent to the other Party within two (2) Business Days of the replacement or before the next meeting of the Operating Board, whichever is the sooner. Each Party shall ensure that its Operating Board members are representatives of that Party actively involved in the management of this Contract.
- 11.4 Any member appointed by the Contractor to the Operating Board shall have the relevant security clearances as detailed in clause 58.
- 11.5 Each Party may appoint a person to act as an alternate to its Operating Board member at any meeting of the Operating Board, and may revoke any such appointment. Written notice of any such appointment or revocation of such replacement shall be given to the other Party in the manner specified in paragraph PART 111.3. Any alternate appointed by the Contractor to the Operating Board must comply with the requirements of paragraph PART 111.4.
- 11.6 A member of the Operating Board may be removed at any time by the Party by whom he was appointed by giving him written notice and a copy of it to the other Party.
- 11.7 The Authority may in its sole discretion require a member of the Operating Board appointed by the Contractor to be removed from the Operating Board by giving written notice to the Contractor stating when such member shall be removed and a copy of it to the member. On receipt of such notice the Contractor shall replace such member as soon as practicable and in any event within such time as shall ensure that the next meeting of the Operating Board is quorate. Any such member appointed by the Contractor to the Operating Board must have received the prior written approval of the Level 2 Chairman.
- 11.8 Meetings of the Operating Board shall take place at such location as the Chairman shall notify to the Operating Board from time to time.

- 11.9 Each Party may invite any other person (including any key subcontractor) to attend any meeting of the Operating Board provided that the relevant Party procures that any such person or persons so invited by it signs an undertaking with the Authority confirming that it complies with all relevant security requirements as detailed in clause 58.
- 11.10 No business shall be transacted at any meeting of the Operating Board unless a quorum is present. The quorum shall be three (3) members from the Authority and three (3) members from the Contractor. Irrespective of the number of attendees at the Operating Board, both Parties will have three (3) votes each on all voting matters. Where the Operating Board cannot reach agreement by a simple majority vote, the Level 2 Chairman shall have the casting vote.
- 11.11 A quorum for the purposes of paragraph 10.2.9 shall require the full Operating Board, as set out in paragraph 11.1 above.
- 11.12 The Operating Board shall be entitled to delegate any of its functions to sub-committees or to such other persons as it considers appropriate for the task, provided that:
- 11.12.1.1 the delegation and the reasons for it are properly recorded in writing;
 - 11.12.1.2 none of the members of the Operating Board present at the meeting at which such delegation is resolved upon have opposed the appointment of that particular delegate or any particular member of such sub-committee; and
 - 11.12.1.3 any such delegates have the prior written approval of the Level 2 Chairman.
- 11.13 Subject to the above provisions, the Operating Board may otherwise regulate the conduct of its meetings as the Operating Board considers appropriate.

12 Contractor's responsibilities in respect of Operating Board meetings

- 12.1 Not less than ten (10) Business Days before each Operating Board meeting the Contractor shall provide the Authority with the draft Quarterly Report.
- 12.2 In respect of each Operating Board meeting, the Contractor shall:
- 12.2.1 organise, attend and provide secretariat and administrative support,
 - 12.2.2 be responsible for all relevant administrative arrangements.
- 12.3 The Operating Board Secretary shall:
- 12.3.1 issue a calling notice to each member of the Operating Board at least one (1) month before the scheduled date of the meeting;
 - 12.3.2 issue the agenda together with any accompanying papers to each member of the Operating Board not less than ten (10) Business Days before the meeting;
 - 12.3.3 issue for approval the draft minutes to the Authority within five (5) Business Days of the meeting,

- 12.3.4 on receipt of approved final minutes from the Authority, issue the approved final minutes to each member of the Operating Board;
- 12.3.5 carry out the agreed amendments and publish the endorsed Quarterly Report;
- 12.4 The Authority shall:
 - 12.4.1 release the approved final minutes within five (5) Business Days of receipt of the draft minutes from the Operating Board Secretary.

13 Ad Hoc Operating Board Meetings

- 13.1 Any member of the Operating Board may request the Level 2 Chairman to call an unscheduled meeting (an “Ad Hoc Operating Board Meeting”) by serving a minimum of five (5) Business Days’ Notice (an “Ad Hoc Operating Board Meeting Notice”) on all other members, setting out the reasons why the Ad Hoc Operating Board Meeting has been called and the issues to be discussed or resolved in it.
- 13.2 An Ad Hoc Operating Board Meeting shall only be called in the following circumstances:
 - 13.2.1 where the Level 2 Chairman considers it necessary to address matters requiring urgent consideration;
 - 13.2.2 where both Parties agree that such a meeting should be held; or
 - 13.2.3 in the event of a Dispute being referred by the PCWG in accordance with clause 90 (Dispute Resolution)

PART 5: PERFORMANCE AND CHANGE WORKING GROUP**14 Functions of the Level 3 Performance and Change Working Group (PCWG)**

- 14.1 With effect from the Service Commencement Date, the parties shall hold a meeting of the PCWG on a monthly basis.
- 14.2 The functions of the PCWG shall include:
- 14.2.1 reviewing management information relating to the PMS and performance of this Contract as stated in Schedule 12 (Performance Mechanism) including managing Observations raised in Authority Audit;
 - 14.2.2 reviewing the draft Monthly Report including:
 - 14.2.2.1 the Exceptional Change Requests submitted to the PCWG by the Establishments;
 - 14.2.2.2 the implementation of any Training Optimisation initiatives, and upcoming initiatives in the Training Optimisation Programme;
 - 14.2.2.3 agreeing Training Optimisation opportunities for consideration by the Authority in accordance with Schedule 4 (Change and Change Management);
 - 14.2.2.4 the risks to this Contract in the Risk Register and identifying and monitoring risk mitigation activities; agreeing the risks to be raised to Level 2 for the Risk Report;
 - 14.2.2.5 the Performance Register; and
 - 14.2.2.6 the Annual In Year Change Envelope delegation to Establishments, and recommending any adjustment to the Operating Board.
 - 14.2.3 reviewing the outcome of remedial actions in accordance with clause 66 (Failure of Performance);
 - 14.2.4 considering any recommendations for KPI amendments from the PMS review conducted in paragraph 18 to Schedule 12 (Performance Mechanism);
 - 14.2.5 reviewing the Commercial Work Report in accordance with clause 83;
 - 14.2.6 agreeing amendments to the draft Monthly Report and endorsing it as the Monthly Report subject to the amendments being carried out;
 - 14.2.7 considering in good faith any issues and/or Disputes which have been referred to the PCWG by the Establishments, and referring any issue or Dispute that is not resolved by the PCWG to the Operating Board; and
 - 14.2.8 at every 12th meeting, reviewing the annual Business Continuity Plan exercise in accordance with Schedule 15.

15 Constitution of the PCWG

- 15.1 Unless otherwise determined by agreement between the Parties, the number of members of the PCWG shall be three (3) members from the Contractor, the Level 3 Change Manager, the Level 3 Contract Performance Manager (East) and the Level 3 Contract Performance Manager (West), the Authority's Nominated Commercial Officer and at least a further three (3) of the Authority's Establishment representatives.
- 15.2 At the Effective Date, the Contractor shall appoint its members of the PCWG Board as identified in Schedule 11 (Key Personnel). The PCWG shall be chaired by an Authority representative (the "Level 3 Chairman") appointed from time to time by the Authority. The Contractor shall provide a board secretary (the "PCWG Secretary").
- 15.3 Each Party shall be entitled to remove from office and replace any member appointed by it who has resigned from office provided that written notice of such replacement shall be sent to the other Party within two (2) Business Days of the replacement or before the next meeting of the PCWG, whichever is the sooner. Each party shall ensure that its PCWG members are representatives of that Party actively involved in the delivery of this Contract.
- 15.4 The Authority may in its sole discretion require a member of the PCWG appointed by the Contractor to be removed from the PCWG by giving written notice to the Contractor. On receipt of such notice the Contractor shall replace such member as soon as practicable.
- 15.5 Each Party may invite any other person to attend any meeting of the PCWG provided that the Party issuing the invitation ensures that any such person signs an undertaking with the Authority confirming that it complies with all relevant security requirements as detailed in clause 58.
- 15.6 Meetings of the PCWG shall take place at such location as the Chairman shall notify to the PCWG from time to time.
- 15.7 No business shall be transacted at any meeting of the PCWG unless a quorum is present. The quorum shall be three (3) members from the Authority and three (3) members from the Contractor. Irrespective of the number of attendees at the PCWG, both Parties will have three (3) votes each on all voting matters. Where the PCWG cannot reach agreement by a simple majority vote, the Level 3 Chairman shall have the casting vote.

16 Contractor's responsibilities in respect of all PCWG Meetings

- 16.1 The Contractor shall:
- 16.1.1 provide the Authority with PCWG management information five (5) Business Days prior to each monthly meeting;
 - 16.1.2 organise, attend and provide secretariat and administrative support;
 - 16.1.3 ensure the attendance of all relevant persons, and that they are notified of the time and date of the meeting in sufficient time to enable them to attend; and

- 16.1.4 be responsible for all relevant administrative arrangements.
- 16.2 The PCWG Secretary shall:
- 16.2.1 issue a calling notice to each member of the PCWG at least ten (10) Business Days before the scheduled date of the meeting;
 - 16.2.2 issue the agenda together with any accompanying papers to each member of the PCWG not less than five (5) Business Days before the meeting;
 - 16.2.3 issue for approval the draft minutes to the Authority within five (5) Business Days of the meeting,
 - 16.2.4 on receipt of approved final minutes from the Authority, issue the approved final minutes to each member of the PCWG;
 - 16.2.5 carry out the agreed amendments and publish the endorsed Monthly Report;
- 16.3 The Authority shall:
- 16.3.1 release the approved final minutes within five (5) Business Days of receipt of the draft minutes from the PCWG Secretary.

PART 6: EXIT STEERING GROUP**17 Functions of the Exit Steering Group (ESG)**

- 17.1 From 12 months prior to Expiry or Termination of the Contract, whichever is the earlier, the Parties shall hold ESG meetings on a monthly basis on the 30th of the month, or next Business Day.
- 17.2 The functions of the ESG shall include:
- 17.2.1 Reviewing the Exit Plan and any subsequent revisions for approval;
 - 17.2.2 reviewing progress against the milestones set out in the Exit Plan; and
 - 17.2.3 considering risks to the Authority's delivery of training, and identifying and monitoring risk mitigation activities.

18 Constitution of the ESG

- 18.1 At the Effective Date, the Contractor shall appoint its members of the ESG as identified in Schedule 11 (Key Personnel). The ESG shall be a sub-committee of the PCWG Board and shall consist of at least two (2) of the Contractor's exit team, the Level 2 Chairman, the Level 3 Chairman and at least a further two (2) of the Authority's representatives.
- 18.2 Each Party shall ensure that its ESG members are representatives of that Party actively involved in the delivery of this Contract. The ESG shall be chaired by an Authority representative (the "ESG Chairman") appointed from time to time by the Authority. The Contractor shall provide a secretary (the "ESG Secretary").
- 18.3 The Authority may in its sole discretion require a member of the ESG appointed by the Contractor to be removed from the ESG by giving written notice to the Contractor. On receipt of such notice the Contractor shall replace such member as soon as practicable.
- 18.4 Each Party may invite any other person to attend any meeting of the ESG provided that the Party issuing the invitation ensures that any such person signs an undertaking with the Authority confirming that it agrees to be bound by the provisions of clause 51 (Confidentiality) (with all necessary changes having been made) and complies with all relevant security requirements.
- 18.5 Meetings of the ESG shall take place at such location as the ESG Chairman shall notify to the ESG members from time to time.
- 18.6 No business shall be transacted at any meeting of the ESG unless a quorum is present. The quorum shall be three (3) members from the Authority and two (2) members from the Contractor.

19 Contractor's responsibilities in respect of all ESG Meetings

- 19.1 The Contractor shall:
- 19.1.1 organise, attend and provide secretariat and administrative support;
 - 19.1.2 ensure the attendance of all relevant persons, and that they are notified of

the time and date of the meeting in sufficient time to enable them to attend;

19.1.3 be responsible for all relevant administrative arrangements.

19.2 The ESG Secretary shall:

19.2.1 issue a calling notice to each member of the ESG at least twelve (12) months prior to the Expiry or Termination of this Contract and thereafter pre-book monthly dates on the 30th of each month, or the next Business Day throughout the Exit Period; and

19.2.2 update the Exit Plan recording all agreed actions and timescales;

20 Exit Plan

20.1 The ESG shall review and approve the Exit Plan as a live document at all ESG meetings agreeing actions and timescales and reflecting what has been achieved against the Exit Plan.

20.1.1 issue the approved Exit Progress Report to the Chairman of the Operating Board within two (2) Business Days of the meeting; and

20.1.2 be responsible for all relevant administrative arrangements.

PART 7 GOVERNANCE DELIVERABLES

Governance Board	Title of	By whom	Date
Implementation Working Group	Calling Notice	IWG Secretary to all Members	Within 5 Business Days of the first meeting prior to the Effective Date and thereafter dates are pre-booked fortnightly as agreed by the Parties during the first IWG. The first meeting to be held within 10 Business Days of the Effective Date.
	Implementation Progress Report	Live document updated during the IWG meetings by the IWG Secretary	Fortnightly during the IWG meetings
	Accreditation List	IWG Secretary to all Members	Review and agree before SCD
	Quality Manual	IWG Secretary to all Members	Review and agree before SCD
Level 1 Initial Strategic Board	Calling Notice	Strategic Board Secretary to all Board Members	2 months prior to date of Initial Strategic Board Meeting
	Agenda	Strategic Board Secretary to all Board Members	15 Business Days prior to date of Initial Strategic Board Meeting
	Implementation Progress Report	Strategic Board review the final report during the Meeting	During the of Initial Strategic Board meeting.
	Draft Minutes	Strategic Board Secretary to the Level 1 Chairman	Within 5 Business Days of the of Initial Strategic Board Meeting
	Final Minutes	Approved by the Level 1 Chairman and distributed by the Strategic Board Secretary	Within 5 Business Days of the Level 1 Chairman approval
Level 1 Strategic Board	Calling Notice	Strategic Board Secretary to all Strategic Board Members	2 months prior to date of Strategic Board Meeting
	Agenda and supporting documents	Strategic Board Secretary to all Strategic Board Members	15 Business Days prior to date of Strategic Board Meeting
	Endorsed Annual Report	Strategic Board review and	Annually during the Strategic

Governance Board	Title of	By whom	Date
		endorse the Annual Report during the Meeting	Board Meeting
	Draft Minutes	Strategic Board Secretary to the Level 1 Chairman	Within 5 Business Days of the Strategic Board Meeting
	Final Minutes	Approved by the Level 1 Chairman and distributed by the Strategic Board Secretary	Within 5 Business Days of the Level 1 Chairman approval
Level 1 Ad Hoc Strategic Board	Calling Notice including Agenda and relevant supporting information	Strategic Board Secretary to all Ad Hoc Strategic Board Members	5 Business Days prior to date of Ad Hoc Strategic Board Meeting
	Draft Minutes	Strategic Board Secretary to the Level 1 Chairman	Within 5 Business Days of the Ad Hoc Strategic Board Meeting
	Final Minutes	Approved by the Level 1 Chairman and distributed by the Strategic Board Secretary	Within 10 Business Days of the Ad Hoc Strategic Board Meeting
Level 2 Operating Board	Calling Notice	Operating Board Secretary to all Operating Board Members	1 Month prior to date of Operating Board Meeting
	Draft Quarterly Report including: <ul style="list-style-type: none"> • Operating Board MI • Change & Trg Optimisation Report • Finance Summary & Report • Performance Report • Risk Report 	Contractor to Operating Board Secretary	10 Business Days prior to date of Operating Board Meeting
	Draft Annual Change Report	Contractor to Operating Board Secretary	10 Business Days prior to every 4 th (September) Operating Board meeting
	Agenda and supporting documents	Operating Board Secretary to all Board Members	10 Business Days prior to date of Operating Board Meeting
	Endorsed Quarterly Report	Operating Board review and endorse the draft Quarterly Report during the Meeting	Quarterly during the Strategic Board Meeting

Governance Board	Title of	By whom	Date
	Agreed Annual Change Report	Agreed by the Parties during the Operating Board Meeting	At every 4 th (September) Operating Board
	Draft Annual Report	Content and Actions agreed by the Parties during the Operating Board Meeting	At every 4 th Operating Board (March) prior to the Strategic Board
	Draft Minutes	Operating Board Secretary to the Operating Board Chairman	Within 5 Business Days of the Operating Board Meeting
	Final Minutes	Approved by the Level 2 Chairman and distributed by the Operating Board Secretary	Within 5 Business Days of the Level 2 Chairman approval
Level 2 Ad Hoc Operating Board	Calling Notice including Agenda and relevant supporting information	Operating Board Secretary to all Ad Hoc Operating Board Members	5 Business Days prior to date of Ad Hoc Operating Board Meeting
	Draft Minutes	Operating Board Secretary to the Level 2 Chairman	Within 5 Business Days of the Ad Hoc Operating Board Meeting
	Final Minutes	Approved by the Level 2 Chairman and distributed by the Operating Board Secretary	Within 5 Business Days of the Level 2 Chairman approval
Level 3 Performance and Change Working Group	Calling Notice	PCWG Secretary to all PCWG Members	10 Business Days prior to date of Performance and Change Working Group Meeting
	Draft Monthly Report including: <ul style="list-style-type: none"> • PCWG MI • Change (including In Year Change) & Trg Optimisation Report • Performance Report • Risk Report 	Contractor to PCWG Secretary	5 Business Days prior to date of Performance and Change Working Group Meeting
	Agenda and supporting documents	PCWG Secretary to all PCWG Members	5 Business Days prior to date of PCWG Meeting
	Endorsed Monthly Report	PCWG review and endorse the	Monthly during the PCWG

Governance Board	Title of	By whom	Date
		Monthly Report during the Meeting	Meeting
	Draft Minutes	PCWG Secretary to the Level 3 Chairman	Within 5 Business Days of the PCWG Meeting
	Final Minutes	Approved by the Level 3 Chairman and distributed by the PCWG Secretary	Within 5 Business Days of the Level 3 Chairman approval
Exit Steering Group	Calling Notice	ESG Secretary to all members	12 Months prior to the Expiry or Termination of this Contract and thereafter dates are pre-booked for the 30 th of each month, or next Business Day throughout the Exit Period.
	Exit Plan	Live document updated during the ESG meetings by the ESG Secretary	Monthly during the ESG meetings

PART 8 GOVERNANCE DELIVERABLE FORMATS**21 Minimum Content**

- 21.1 The following stipulates the minimum content required in each of the governance deliverables:
- 21.2 Implementation Progress Report
 - 21.2.1 Implementation Programme
 - 21.2.2 Risks to the contract including progress against mitigating actions
 - 21.2.3 Progress against key milestones of the Implementation Programme
- 21.3 Annual Report
 - 21.3.1 Management information from Annex E to Schedule 2 (Statement of Requirements)
 - 21.3.2 Report against the Training Optimisation Plan;
 - 21.3.3 Training Optimisation Benefits Statement including:
 - 21.3.3.1 the expected benefits to the Authority and the Contractor as a result of Training Optimisation activities; and
 - 21.3.3.2 the extent to which the expected benefits from activities conducted in previous periods have been or will be realised (with guaranteed timescales in this latter respect), including in terms of improved service delivery and improved Value for Money to the Authority.
- 21.4 Performance Statement
 - 21.4.1 KPI results
 - 21.4.2 Audit results
 - 21.4.3 Collaborative working
- 21.5 Financial Statement
 - 21.5.1 Annual Contract price
 - 21.5.2 Cost of change
 - 21.5.3 Financial forecast against the future SOTR.
- 21.6 Risk Statement
 - 21.6.1 Level 1 Contract Risks

- 21.6.2 Mitigation progress for Level 1 and Level 2 risks
- 21.6.3 Financial data against risk.
- 21.7 Quarterly Report
 - 21.7.1 Management information from Annex E to Schedule 2 (Statement of Requirements)
 - 21.7.2 Audit Report
 - 21.7.2.1 Results of the audits for that period
 - 21.7.3 Performance Register
 - 21.7.3.1 Performance Failures; and
 - 21.7.3.2 progress against Remedy Plans
 - 21.7.4 Quarterly Public Store Account Reports
 - 21.7.4.1 Updates on movements, disposals, procurement
 - 21.7.4.2 Training Equipment Projects
 - 21.7.5 Training Optimisation Programme updates including:
 - 21.7.5.1 lessons learned from the Training Optimisation Reviews referred to in clause 34;
 - 21.7.5.2 actions taken as a result of such reviews and building upon the lessons learned;
 - 21.7.6 Risk Report including and mitigation activities
 - 21.7.7 Quarterly Financial Reports and Summary
- 21.8 Monthly Performance Report
 - 21.8.1 Management information from Annex E to Schedule 2 (Statement of Requirements)
 - 21.8.2 In Year Change statistics
 - 21.8.3 Performance Register including:
 - 21.8.3.1 Sub-Standard Performances and progress against Remedy Plans; and
 - 21.8.3.2 Claims for relief submitted in accordance with Schedule 12 (Performance Mechanism);
 - 21.8.4 Training Optimisation initiative reports

- 21.8.4.1 Progress against initiatives
- 21.8.4.2 Results of data analysis; and
- 21.8.4.3 Planned initiatives / planned data analysis.
- 21.8.5 Change (including Training Design) progress and updates
- 21.8.6 Contract risks and mitigation activities
- 21.9 Exit Plan
 - 21.9.1 Exit Programme
 - 21.9.2 Risks to the contract including progress against mitigating actions
 - 21.9.3 Progress against key milestones of the Exit Plan

PART 9 GOVERNANCE SCHEMATIC

