

Framework Schedule 6 (Order Form Template and Call-Off Schedules)

Order Form

CALL-OFF REFERENCE:	itt_940
THE BUYER:	Department for Energy Security and Net Zero
BUYER ADDRESS	3-8 Whitehall Place, London, SW1A 2EG
THE SUPPLIER:	Ernst & Young LLP
SUPPLIER ADDRESS:	1 More London Place London SE1 2AF England
REGISTRATION NUMBER:	OC300001
DUNS NUMBER:	221768935
SID4GOV ID:	210603

APPLICABLE FRAMEWORK CONTRACT

This Order Form is for the provision of the Call-Off Deliverables and dated 04 September 2023.
It's issued under the Framework Contract with the reference number RM6188 for the provision of The Non Domestic Energy Scheme Compliance Check.

CALL-OFF LOT(S): Not applicable

CALL-OFF INCORPORATED TERMS

The following documents are incorporated into this Call-Off Contract. Where numbers are missing, we are not using those schedules. If the documents conflict, the following order of precedence applies:

- This Order Form includes the Call-Off Special Terms and Call-Off Special Schedules.
- Joint Schedule 1(Definitions and Interpretation) **RM6188**

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- The following Schedules in equal order of precedence:
 - Joint Schedules for **RM6188**
 - o Joint Schedule 2 (Variation Form)
 - o Joint Schedule 3 (Insurance Requirements)
 - o Joint Schedule 4 (Commercially Sensitive Information)
 - o Joint Schedule 7 (Financial Difficulties)
 - o Joint Schedule 10 (Rectification Plan)
 - o Joint Schedule 11 (Processing Data)
 - Call-Off Schedules for **RM6188**
 - o Call-Off Schedule 1 (Transparency Reports)
 - o Call-Off Schedule 2 (Staff Transfer)
 - o Call-Off Schedule 3 (Continuous Improvement)
 - o Call-Off Schedule 5 (Pricing Details)
 - o Call-Off Schedule 7 (Key Supplier Staff)
 - o Call-Off Schedule 8 (Business Continuity and Disaster Recovery)
 - o Call-Off Schedule 9 (Security)
 - o Call-Off Schedule 10 (Exit Management)
 - o Call-Off Schedule 14 (Service Levels)
 - o Call-Off Schedule 20 (Call-Off Specification)
- CCS Core Terms
- Joint Schedule 5 (Corporate Social Responsibility) **RM6188**
- Call-Off Schedule 4 (Call-Off Tender).

No other Supplier terms are part of the Call-Off Contract. That includes any terms written on the back of, added to this Order Form, or presented at the time of delivery.

CALL-OFF SPECIAL TERMS

The following Special Terms are incorporated into this Call-Off Contract:

Special term 1 - The Buyer is only liable to reimburse the Supplier for any expense or any disbursement which is

- (i) specified in this Contract or*
- (ii) which the Buyer has Approved prior to the Supplier incurring that expense or that disbursement. The Supplier may not invoice the Buyer for any other expenses or any other disbursements*

Special term 2 - Clause 10.5 of the Core Terms is amended as follows:

- *The existing paragraph under clause 10.5 is numbered 10.5.1;*
- *The following paragraph is inserted after clause 10.5.1 and is numbered clause 10.5.2:*

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The Supplier may terminate a Call-Off Contract upon such period of written notice is reasonable in the circumstances, if there is any Change in Law or other change in circumstance outside of the Supplier's reasonable control which would mean that the performance of the Call-Off Contract (including the application of any fee arrangements) would result in the Supplier being in breach of any obligations relating to conflicts of interest, independence and integrity under Law applicable to the Supplier provided that, prior to issuing any such notice of termination, the Supplier shall use best endeavours to seek an alternative solution to termination (which shall include a requirement to terminate any contract with a third party if the existence of that contract has led to a conflict of interest) and mitigate the impact of any such alternative solution or termination.

Special term 3 - The definition of "Conflict of Interest" in Joint Schedule 1 is deleted and replaced by the following:

a conflict between:

(a) the financial interests,

(b) personal duties, or

(c) any obligations, applicable to the Supplier, relating to conflicts of interest, independence, and integrity under Law,

of the Supplier or the Supplier Staff and the duties owed to CCS or any Buyer under a Contract, in the reasonable opinion of the Buyer or CCS;

CALL-OFF START DATE: 7 September 2023

CALL-OFF EXPIRY DATE: 6 September 2024

CALL-OFF INITIAL PERIOD: 12 Months

CALL-OFF DELIVERABLES

See details in Call-Off Schedule 20 (Call-Off Specification)

SECURITY

Short form security requirements of Part A of Call-Off Schedule 9(Security) apply; however the Supplier will not be required to produce a Bespoke Security Management Plan under this Schedule.

MAXIMUM LIABILITY

The limitation of liability for this Call-Off Contract is stated in Clause 11.2 of the Core Terms.

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The Estimated Year 1 Charges used to calculate liability in the first Contract Year is **£2,780,321.98**.

CALL-OFF CHARGES

See details in Call-Off Schedule 5 (Pricing Details)

All changes to the Charges must use procedures that are equivalent to those in Paragraphs 4, 5 and 6 (if used) in Framework Schedule 3 (Framework Prices)]

REIMBURSABLE EXPENSES

None

PAYMENT METHOD

All invoices should be sent to finance@services.uksbs.co.uk or Department for Energy Security and Net Zero, 3-8 Whitehall Place, London, SW1A 2EG . A copy of the invoice should also be sent to the contract manager **Redacted Under FOIA Section 40, Personal Information**

BUYER'S INVOICE ADDRESS:

*Accounts Payable
DESNZ c/o UKSBS,
Queensway House,
West Precinct,
Billingham, TS23 2NF
ap@uksbs.co.uk*

FINANCIAL TRANSPARENCY OBJECTIVES

The Financial Transparency Objectives do not apply to this Call-Off Contract.

BUYER'S AUTHORISED REPRESENTATIVE

Redacted Under FOIA Section 40, Personal Information

Deputy Director
Programme Director
Non-Domestic Affordability Directorate

BUYER'S ENVIRONMENTAL POLICY

PPN 06/20, September 2020

Available online at: <https://www.gov.uk/government/publications/procurement-policy-note-0620-taking-account-of-social-value-in-the-award-of-central-government-contracts>

BUYER'S SECURITY POLICY

GovS 007: Security, Version 2.0, 13 September 2021

Available online at: <https://www.gov.uk/government/publications/government-functional-standard-govs-007-security>

SUPPLIER'S AUTHORISED REPRESENTATIVE

Redacted Under FOIA Section 40, Personal Information

Partner

Redacted Under FOIA Section 40, Personal Information

Address: Ernst & Young LLP,
1 More London Place,
London, SE1 2AF

SUPPLIER'S CONTRACT MANAGER

Redacted Under FOIA Section 40, Personal Information

Redacted Under FOIA Section 40, Personal Information

Address: Ernst & Young LLP,
1 More London Place,
London, SE1 2AF

PROGRESS REPORT FREQUENCY

See details in Call-Off Schedule 20 (Call-Off Specification)

PROGRESS MEETING FREQUENCY

See details in Call-Off Schedule 20 (Call-Off Specification)

KEY STAFF

Redacted Under FOIA Section 40, Personal Information

KEY SUBCONTRACTOR(S)

N/a

COMMERCIALLY SENSITIVE INFORMATION

As detailed in the Supplier's Commercially Sensitive Information

SERVICE CREDITS

The Service Credit value is calculated as the stated percentage of the average of the last available three months actual invoice value (where three months invoicing is available). Where three months invoicing is not available, such as at commencement, the Service Credit value will be calculated as an average of the invoiced values available (e.g. If only 1 month has been invoiced, this value will be taken. If 2 months have been invoiced, then an average of the two months will be taken). Note that in any single monthly period the total Service Credit payable shall not exceed 10% of the average of the last three months actual invoice value.

ADDITIONAL INSURANCES

Not applicable

GUARANTEE

Not applicable

SOCIAL VALUE COMMITMENT

The Supplier agrees, in providing the Deliverables and performing its obligations under the Call-Off Contract, that it will comply with the social value commitments in Call-Off Schedule 4 (Call-Off Tender)

For and on behalf of the Supplier:		For and on behalf of the Buyer:	
Signature:	Redacted Under FOIA Section 40, Personal Information	Signature:	Redacted Under FOIA Section 40, Personal Information
Name:	Redacted Under FOIA Section 40, Personal Information	Name:	Redacted Under FOIA Section 40, Personal Information
Role:	Partner	Role:	Director, Energy Bill Discount Scheme
Date:		Date:	

Joint Schedule 1 (Definitions)

- 1.1 In each Contract, unless the context otherwise requires, capitalised expressions shall have the meanings set out in this Joint Schedule 1 (Definitions) or the relevant Schedule in which that capitalised expression appears.
- 1.2 If a capitalised expression does not have an interpretation in this Schedule or any other Schedule, it shall, in the first instance, be interpreted in accordance with the common interpretation within the relevant market sector/industry where appropriate. Otherwise, it shall be interpreted in accordance with the dictionary meaning.
- 1.3 In each Contract, unless the context otherwise requires:
- 1.3.1 the singular includes the plural and vice versa;
 - 1.3.2 reference to a gender includes the other gender and the neuter;
 - 1.3.3 references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or Central Government Body;
 - 1.3.4 a reference to any Law includes a reference to that Law as amended, extended, consolidated, or re-enacted from time to time;
 - 1.3.5 the words **"including"**, **"other"**, **"in particular"**, **"for example"** and similar words shall not limit the generality of the preceding words and shall be construed as if they were immediately followed by the words **"without limitation"**;
 - 1.3.6 references to **"writing"** include typing, printing, lithography, photography, display on a screen, electronic and facsimile transmission, and other modes of representing or reproducing words in a visible form, and expressions referring to writing shall be construed accordingly;
 - 1.3.7 references to **"representations"** shall be construed as references to present facts, to **"warranties"** as references to present and future facts and to **"undertakings"** as references to obligations under the Contract;
 - 1.3.8 references to **"Clauses"** and **"Schedules"** are, unless otherwise provided, references to the clauses and schedules of the Core Terms and references in any Schedule to parts, paragraphs, annexes, and tables are, unless otherwise provided, references to the parts, paragraphs, annexes and tables of the Schedule in which these references appear;
 - 1.3.9 references to **"Paragraphs"** are, unless otherwise provided, references to the paragraph of the appropriate Schedules unless otherwise provided;
 - 1.3.10 references to a series of Clauses or Paragraphs shall be inclusive of the clause numbers specified;
 - 1.3.11 the headings in each Contract are for ease of reference only and shall not affect the interpretation or construction of a Contract;
 - 1.3.12 where the Buyer is a Central Government Body it shall be treated as contracting with the Crown as a whole;

Joint Schedule 1 (Definitions)

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1.3.13 any reference in a Contract which immediately before Exit Day is a reference to (as it has effect from time to time):

- (a) any EU regulation, EU decision, EU tertiary legislation or provision of the EEA agreement ("**EU References**") which is to form part of domestic law by application of section 3 of the European Union (Withdrawal) Act 2018 shall be read on and after Exit Day as a reference to the EU References as they form part of domestic law by virtue of section 3 of the European Union (Withdrawal) Act 2018 as modified by domestic law from time to time; and
- (b) any EU institution or EU authority or other such EU body shall be read on and after Exit Day as a reference to the UK institution, authority or body to which its functions were transferred; and

1.3.14 unless otherwise provided, references to "**Buyer**" shall be construed as including Exempt Buyers; and

1.3.15 unless otherwise provided, references to "**Call-Off Contract**" and "**Contract**" shall be construed as including Exempt Call-off Contracts.

1.4 In each Contract, unless the context otherwise requires, the following words shall have the following meanings:

" Achieve "	in respect of a Test, to successfully pass such Test without any Test Issues and in respect of a Milestone, the issue of a Satisfaction Certificate in respect of that Milestone and " Achieved ", " Achieving " and " Achievement " shall be construed accordingly;
" Additional Insurances "	insurance requirements relating to a Call-Off Contract specified in the Order Form additional to those outlined in Joint Schedule 3 (Insurance Requirements);
" Admin Fee "	means the costs incurred by CCS in dealing with MI Failures calculated in accordance with the tariff of administration charges published by the CCS on: http://CCS.cabinetoffice.gov.uk/i-am-supplier/management-information/admin-fees ;
" Affected Party "	the Party seeking to claim relief in respect of a Force Majeure Event;
" Affiliates "	in relation to a body corporate, any other entity which directly or indirectly Controls, is Controlled by, or is under direct or indirect common Control of that body corporate from time to time;
" Annex "	extra information which supports a Schedule;
" Approval "	the prior written consent of the Buyer and " Approve " and " Approved " shall be construed accordingly;
" Audit "	the Relevant Authority's right to: a) verify the accuracy of the Charges and any other amounts payable by a Buyer under a Call-Off Contract (including proposed or actual variations to them in accordance with the

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	Contract); b) verify the costs of the Supplier (including the costs of all Subcontractors and any third party suppliers) in connection with the provision of the Services; c) verify the Open Book Data; d) verify the Supplier's and each Subcontractor's compliance with the Contract and applicable Law; e) identify or investigate actual or suspected breach of Clauses 27 to 33 and/or Joint Schedule 5 (Corporate Social Responsibility), impropriety or accounting mistakes or any breach or threatened breach of security and in these circumstances the Relevant Authority shall have no obligation to inform the Supplier of the purpose or objective of its investigations; f) identify or investigate any circumstances which may impact upon the financial stability of the Supplier, any Guarantor, and/or any Subcontractors or their ability to provide the Deliverables; g) obtain such information as is necessary to fulfil the Relevant Authority's obligations to supply information for parliamentary, ministerial, judicial or administrative purposes including the supply of information to the Comptroller and Auditor General; h) review any books of account and the internal contract management accounts kept by the Supplier in connection with each Contract; i) carry out the Relevant Authority's internal and statutory audits and to prepare, examine and/or certify the Relevant Authority's annual and interim reports and accounts; j) enable the National Audit Office to carry out an examination pursuant to Section 6(1) of the National Audit Act 1983 of the economy, efficiency, and effectiveness with which the Relevant Authority has used its resources; or k) verify the accuracy and completeness of any Management Information delivered or required by the Framework Contract;
"Auditor"	a) the Relevant Authority's internal and external auditors; b) the Relevant Authority's statutory or regulatory auditors; c) the Comptroller and Auditor General, their staff and/or any appointed representatives of the National Audit Office; d) HM Treasury or the Cabinet Office; e) any party formally appointed by the Relevant Authorities to carry out audit or similar review functions; and f) successors or assigns of any of the above;

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"Authority"	CCS and each Buyer;
"Authority Cause"	any breach of the obligations of the Relevant Authority or any other default, act, omission, negligence, or statement of the Relevant Authority, of its employees, servants, agents in connection with or in relation to the subject-matter of the Contract and in respect of which the Relevant Authority is liable to the Supplier;
"BACS"	the Bankers' Automated Clearing Services, which is a scheme for the electronic processing of financial transactions within the United Kingdom;
"Beneficiary"	a Party having (or claiming to have) the benefit of an indemnity under this Contract;
"Buyer"	the relevant public sector purchaser identified as such in the Order Form;
"Buyer Assets"	the Buyer's infrastructure, data, software, materials, assets, equipment or other property owned by and/or licensed or leased to the Buyer and which is or may be used in connection with the provision of the Deliverables which remain the property of the Buyer throughout the term of the Contract;
"Buyer Authorised Representative"	the representative appointed by the Buyer from time to time in relation to the Call-Off Contract initially identified in the Order Form;
"Buyer Premises"	premises owned, controlled, or occupied by the Buyer which are made available for use by the Supplier or its Subcontractors for the provision of the Deliverables (or any of them);
"Call-Off Contract"	the contract between the Buyer and the Supplier (entered into pursuant to the provisions of the Framework Contract), which consists of the terms set out and referred to in the Order Form;
"Call-Off Contract Period"	the Contract Period in respect of the Call-Off Contract;
"Call-Off Expiry Date"	the scheduled date of the end of a Call-Off Contract as stated in the Order Form;
"Call-Off Incorporated Terms"	the contractual terms applicable to the Call-Off Contract specified under the relevant heading in the Order Form;
"Call-Off Initial Period"	the Initial Period of a Call-Off Contract specified in the Order Form;
"Call-Off Optional Extension Period"	such period or periods beyond which the Call-Off Initial Period may be extended as specified in the Order Form;
"Call-Off Procedure"	the process for awarding a Call-Off Contract pursuant to Clause 2 (How the contract works) and Framework Schedule 7 (Call-Off Award Procedure);
"Call-Off Special Terms"	any additional terms and conditions specified in the Order Form incorporated into the applicable Call-Off Contract;

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"Call-Off Start Date"	the date of start of a Call-Off Contract as stated in the Order Form;
"Call-Off Tender"	the tender submitted by the Supplier in response to the Buyer's Statement of Requirements following a Further Competition Procedure and set out at Call-Off Schedule 4 (Call-Off Tender);
"CCS"	the Minister for the Cabinet Office as represented by Crown Commercial Service, which is an executive agency and operates as a trading fund of the Cabinet Office, whose offices are located at 9th Floor, The Capital, Old Hall Street, Liverpool L3 9PP;
"CCS Authorised Representative"	the representative appointed by CCS from time to time in relation to the Framework Contract initially identified in the Framework Award Form;
"Central Government Body"	a body listed in one of the following subcategories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics: a) Government Department; b) Non-Departmental Public Body or Assembly Sponsored Public Body (advisory, executive, or tribunal); c) Non-Ministerial Department; or d) Executive Agency;
"Change in Law"	any change in Law which impacts on the supply of the Deliverables and performance of the Contract which comes into force after the Start Date;
"Change of Control"	a change of control within the meaning of Section 450 of the Corporation Tax Act 2010;
"Charges"	the prices (exclusive of any applicable VAT), payable to the Supplier by the Buyer under the Call-Off Contract, as set out in the Order Form, for the full and proper performance by the Supplier of its obligations under the Call-Off Contract less any Deductions;
"Claim"	any claim which it appears that a Beneficiary is, or may become, entitled to indemnification under this Contract;
"Commercially Sensitive Information"	the Confidential Information listed in the Framework Award Form or Order Form (if any) comprising of commercially sensitive information relating to the Supplier, its IPR or its business or which the Supplier has indicated to the Authority that, if disclosed by the Authority, would cause the Supplier significant commercial disadvantage or material financial loss;
"Comparable Supply"	the supply of Deliverables to another Buyer of the Supplier that are the same or similar to the Deliverables;
"Compliance"	the person(s) appointed by the Supplier who is responsible for

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"Officer"	ensuring that the Supplier complies with its legal obligations;
"Confidential Information"	means any information, however it is conveyed, that relates to the business, affairs, developments, trade secrets, Know-How, personnel and suppliers of CCS, the Buyer or the Supplier, including IPRs, together with information derived from the above, and any other information clearly designated as being confidential (whether or not it is marked as "confidential") or which ought reasonably to be considered to be confidential;
"Conflict of Interest"	a conflict between the financial or personal duties of the Supplier or the Supplier Staff and the duties owed to CCS or any Buyer under a Contract, in the reasonable opinion of the Buyer or CCS;
"Contract"	either the Framework Contract or the Call-Off Contract, as the context requires;
"Contract Period"	the term of either a Framework Contract or Call-Off Contract on and from the earlier of the: a) applicable Start Date; or b) the Effective Date up to and including the applicable End Date;
"Contract Value"	the higher of the actual or expected total Charges paid or payable under a Contract where all obligations are met by the Supplier;
"Contract Year"	a consecutive period of twelve (12) Months commencing on the Start Date or each anniversary thereof;
"Control"	control in either of the senses defined in sections 450 and 1124 of the Corporation Tax Act 2010 and "Controlled" shall be construed accordingly;
"Controller"	has the meaning given to it in the UK GDPR;
"Core Terms"	CCS' terms and conditions for common goods and services which govern how Suppliers must interact with CCS and Buyers under Framework Contracts and Call-Off Contracts;
"Costs"	the following costs (without double recovery) to the extent that they are reasonably and properly incurred by the Supplier in providing the Deliverables: e) the cost to the Supplier or the Key Subcontractor (as the context requires), calculated per Workday, of engaging the Supplier Staff, including: i) base salary paid to the Supplier Staff; ii) employer's National Insurance contributions; iii) pension contributions; iv) car allowances; v) any other contractual employment benefits;

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	vi) staff training; vii) workplace accommodation; viii) workplace IT equipment and tools reasonably necessary to provide the Deliverables (but not including items included within limb (b) below); and ix) reasonable recruitment costs, as agreed with the Buyer; f) costs incurred in respect of Supplier Assets which would be treated as capital costs according to generally accepted accounting principles within the UK, which shall include the cost to be charged in respect of Supplier Assets by the Supplier to the Buyer or (to the extent that risk and title in any Supplier Asset is not held by the Supplier) any cost actually incurred by the Supplier in respect of those Supplier Assets; g) operational costs which are not included within (a) or (b) above, to the extent that such costs are necessary and properly incurred by the Supplier in the provision of the Deliverables; and h) Reimbursable Expenses to the extent these have been specified as allowable in the Order Form and are incurred in delivering any Deliverables; but excluding: i) Overhead; j) financing or similar costs; k) maintenance and support costs to the extent that these relate to maintenance and/or support Deliverables provided beyond the Call-Off Contract Period whether in relation to Supplier Assets or otherwise; l) taxation; m) fines and penalties; n) amounts payable under Call-Off Schedule 16 (Benchmarking) where such Schedule is used; and o) non-cash items (including depreciation, amortisation, impairments and movements in provisions);
"CRTPA"	the Contract Rights of Third Parties Act 1999;
"Data Protection Impact Assessment"	an assessment by the Controller of the impact of the envisaged Processing on the protection of Personal Data;
"Data Protection Legislation"	the UK GDPR, the LED and any applicable national implementing Laws as amended from time to time; (ii) the DPA 2018 to the extent that it relates to Processing of personal data Personal Data and privacy; (iii) all applicable Law about the Processing of personal data Personal Data and privacy;

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"Data Protection Liability Cap"	the amount specified in the Framework Award Form;
"Data Protection Officer"	has the meaning given to it in the UK GDPR;
"Data Subject"	has the meaning given to it in the UK GDPR;
"Data Subject Access Request"	a request made by, or on behalf of, a Data Subject in accordance with rights granted pursuant to the Data Protection Legislation to access their Personal Data;
"Deductions"	all Service Credits, Delay Payments (if applicable), or any other deduction which the Buyer is paid or is payable to the Buyer under a Call-Off Contract;
"Default"	any breach of the obligations of the Supplier (including abandonment of a Contract in breach of its terms) or any other default (including material default), act, omission, negligence or statement of the Supplier, of its Subcontractors or any Supplier Staff howsoever arising in connection with or in relation to the subject-matter of a Contract and in respect of which the Supplier is liable to the Relevant Authority;
"Default Management Charge"	has the meaning given to it in Paragraph 8.1.1 of Framework Schedule 5 (Management Charges and Information);
"Delay Payments"	the amounts (if any) payable by the Supplier to the Buyer in respect of a delay in respect of a Milestone as specified in the Implementation Plan;
"Deliverables"	Goods and/or Services that may be ordered under the Contract including the Documentation;
"Delivery"	delivery of the relevant Deliverable or Milestone in accordance with the terms of a Call-Off Contract as confirmed and accepted by the Buyer by the either (a) confirmation in writing to the Supplier; or (b) where Call-Off Schedule 13 (Implementation Plan and Testing) is used issue by the Buyer of a Satisfaction Certificate. "Deliver" and "Delivered" shall be construed accordingly;
"Disclosing Party"	the Party directly or indirectly providing Confidential Information to the other Party in accordance with Clause 15 (What you must keep confidential);
"Dispute"	any claim, dispute or difference (whether contractual or non-contractual) arising out of or in connection with the Contract or in connection with the negotiation, existence, legal validity, enforceability or termination of the Contract, whether the alleged liability shall arise under English law or under the law of some other country and regardless of whether a particular cause of action may successfully be brought in the English courts;
"Dispute Resolution"	the dispute resolution procedure set out in Clause 34 (Resolving disputes);

"Procedure"	
"Documentation"	descriptions of the Services and Service Levels, technical specifications, user manuals, training manuals, operating manuals, process definitions and procedures, system environment descriptions and all such other documentation (whether in hardcopy or electronic form) is required to be supplied by the Supplier to the Buyer under a Contract as: a) would reasonably be required by a competent third party capable of Good Industry Practice contracted by the Buyer to develop, configure, build, deploy, run, maintain, upgrade and test the individual systems that provide the Deliverables b) is required by the Supplier in order to provide the Deliverables; and/or c) has been or shall be generated for the purpose of providing the Deliverables;
"DOTAS"	the Disclosure of Tax Avoidance Schemes rules which require a promoter of Tax schemes to tell HMRC of any specified notifiable arrangements or proposals and to provide prescribed information on those arrangements or proposals within set time limits as contained in Part 7 of the Finance Act 2004 and in secondary legislation made under vires contained in Part 7 of the Finance Act 2004 and as extended to National Insurance Contributions;
"DPA 2018"	the Data Protection Act 2018;
"Due Diligence Information"	any information supplied to the Supplier by or on behalf of the Authority prior to the Start Date;
"Effective Date"	the date on which the final Party has signed the Contract;
"EIR"	the Environmental Information Regulations 2004;
"Electronic Invoice"	an invoice which has been issued, transmitted and received in a structured electronic format which allows for its automatic and electronic processing and which complies with (a) the European standard and (b) any of the syntaxes published in Commission Implementing Decision (EU) 2017/1870;
"Employment Regulations"	the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246) as amended or replaced or any other Regulations implementing the European Council Directive 77/187/EEC;
"End Date"	the earlier of: a) the Expiry Date (as extended by any Extension Period exercised by the Relevant Authority under Clause 10.1.2); or b) if a Contract is terminated before the date specified in (a) above, the date of termination of the Contract;

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"Environmental Policy"	to conserve energy, water, wood, paper and other resources, reduce waste and phase out the use of ozone depleting substances and minimise the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment, including any written environmental policy of the Buyer;
"Equality and Human Rights Commission"	the UK Government body named as such as may be renamed or replaced by an equivalent body from time to time;
"Estimated Year 1 Charges"	the anticipated total Charges payable by the Buyer in the first Contract Year specified in the Order Form;
"Estimated Yearly Charges"	means for the purposes of calculating each Party's annual liability under clause 11.2: i) in the first Contract Year, the Estimated Year 1 Charges; or ii) in any subsequent Contract Years, the Charges paid or payable in the previous Call-off Contract Year; or iii) after the end of the Call-off Contract, the Charges paid or payable in the last Contract Year during the Call-off Contract Period;
"Exempt Buyer"	a public sector purchaser that is: eligible to use the Framework Contract; and • is entering into an Exempt Call-off Contract that is not subject to (as applicable) any of: - o the Regulations; - o the Concession Contracts Regulations 2016 (SI 2016/273); - o the Utilities Contracts Regulations 2016 (SI 2016/274); - o the Defence and Security Public Contracts Regulations 2011 (SI 2011/1848); - o the Remedies Directive (2007/66/EC); - o Directive 2014/23/EU of the European Parliament and Council; - o Directive 2014/24/EU of the European Parliament and Council; - o Directive 2014/25/EU of the European Parliament and Council; or - o Directive 2009/81/EC of the European Parliament and Council;
"Exempt Call-off"	the contract between the Exempt Buyer and the Supplier for

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Contract	Deliverables which consists of the terms set out and referred to in the Order Form incorporating and, where necessary, amending, refining or adding to the terms of the Framework Contract;
"Exempt Procurement Amendments"	any amendments, refinements or additions to any of the terms of the Framework Contract made through the Exempt Call-off Contract to reflect the specific needs of an Exempt Buyer to the extent permitted by and in accordance with any legal requirements applicable to that Exempt Buyer;

"Existing IPR"	any and all IPR that are owned by or licensed to either Party and which are or have been developed independently of the Contract (whether prior to the Start Date or otherwise);
"Exit Day"	shall have the meaning in the European Union (Withdrawal) Act 2018;
"Expiry Date"	the Framework Expiry Date or the Call-Off Expiry Date (as the context dictates);
"Extension Period"	the Framework Optional Extension Period or the Call-Off Optional Extension Period as the context dictates;
"FOIA"	the Freedom of Information Act 2000 and any subordinate legislation made under that Act from time to time together with any guidance and/or codes of practice issued by the Information Commissioner or relevant Government department in relation to such legislation;
"Force Majeure Event"	any event, outside the reasonable control of each Party, affecting its performance of its obligations under the Contract arising from acts, events, omissions, happenings, or non-happenings beyond reasonable control and which are not attributable to any wilful act, neglect or failure to take reasonable preventative action by that Party, including: a) riots, civil commotion, war, or armed conflict; b) acts of terrorism; c) acts of a government, local government, or regulatory bodies; d) fire, flood, storm or earthquake or other natural disaster, but excluding any industrial dispute relating to the Supplier, the Supplier Staff or any other failure in the Supplier or the Subcontractor's supply chain;
"Force Majeure Notice"	a written notice served by the Affected Party on the other Party stating that the Affected Party believes that there is a Force Majeure Event;
"Framework Award Form"	the document outlining the Framework Incorporated Terms and crucial information required for the Framework Contract, to be

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	executed by the Supplier and CCS;
"Framework Contract"	the framework agreement established between CCS and the Supplier in accordance with Regulation 33 by the Framework Award Form for the provision of the Deliverables to Buyers by the Supplier pursuant to the notice published on the Find a Tender Service;
"Framework Contract Period"	the period from the Framework Start Date until the End Date of the Framework Contract;
"Framework Expiry Date"	the scheduled date of the end of the Framework Contract as stated in the Framework Award Form;
"Framework Incorporated Terms"	the contractual terms applicable to the Framework Contract specified in the Framework Award Form;
"Framework Optional Extension Period"	such period or periods beyond which the Framework Contract Period may be extended as specified in the Framework Award Form;
"Framework Price(s)"	the price(s) applicable to the provision of the Deliverables set out in Framework Schedule 3 (Framework Prices);
"Framework Special Terms"	any additional terms and conditions specified in the Framework Award Form incorporated into the Framework Contract;
"Framework Start Date"	the date of start of the Framework Contract as stated in the Framework Award Form;
"Framework Tender Response"	the tender submitted by the Supplier to CCS and annexed to or referred to in Framework Schedule 2 (Framework Tender);
"Further Competition Procedure"	the further competition procedure described in Framework Schedule 7 (Call-Off Award Procedure);
"UK GDPR"	the retained EU law version of the General Data Protection Regulation (Regulation (EU) 2016/679);
"General Anti-Abuse Rule"	e) the legislation in Part 5 of the Finance Act 2013 and; and f) any future legislation introduced into parliament to counteract Tax advantages arising from abusive arrangements to avoid National Insurance contributions;
"General Change in Law"	a Change in Law where the change is of a general legislative nature (including Tax or duties of any sort affecting the Supplier) or which affects or relates to a Comparable Supply;
"Goods"	goods made available by the Supplier as specified in Framework Schedule 1 (Specification) and in relation to a Call-Off Contract as specified in the Order Form;
"Good Industry Practice"	standards, practises, methods, and procedures conforming to the Law and the exercise of the degree of skill and care, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person or body engaged within the relevant industry or business sector;
"Government"	the government of the United Kingdom (including the Northern Ireland Assembly and Executive Committee, the Scottish Government, and

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	the National Assembly for Wales), including government ministers and government departments and other bodies, persons, commissions or agencies from time to time carrying out functions on its behalf;
"Government Data"	the data, text, drawings, diagrams, images or sounds (together with any database made up of any of these) which are embodied in any electronic, magnetic, optical or tangible media, including any of the Authority's Confidential Information, and which: i) are supplied to the Supplier by or on behalf of the Authority; or ii) the Supplier is required to generate, process, store or transmit pursuant to a Contract;
"Guarantor"	the person (if any) who has entered into a guarantee in the form set out in Joint Schedule 8 (Guarantee) in relation to this Contract;
"Halifax Abuse Principle"	the principle explained in the CJEU Case C-255/02 Halifax and others;
"HMRC"	Her Majesty's Revenue and Customs;
"ICT Policy"	the Buyer's policy in respect of information and communications technology, referred to in the Order Form, which is in force as at the Call-Off Start Date (a copy of which has been supplied to the Supplier), as updated from time to time in accordance with the Variation Procedure;
"Impact Assessment"	an assessment of the impact of a Variation request by the Relevant Authority completed in good faith, including: a) details of the impact of the proposed Variation on the Deliverables and the Supplier's ability to meet its other obligations under the Contract; b) details of the cost of implementing the proposed Variation; c) details of the ongoing costs required by the proposed Variation when implemented, including any increase or decrease in the Framework Prices/Charges (as applicable), any alteration in the resources and/or expenditure required by either Party and any alteration to the working practises of either Party; d) a timetable for the implementation, together with any proposals for the testing of the Variation; and e) such other information as the Relevant Authority may reasonably request in (or in response to) the Variation request;
"Implementation Plan"	the plan for provision of the Deliverables set out in Call-Off Schedule 13 (Implementation Plan and Testing) where that Schedule is used or otherwise as agreed between the Supplier and the Buyer;
"Indemnifier"	a Party from whom an indemnity is sought under this Contract;

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"Independent Control"	where a Controller has provided Personal Data to another Party which is not a Processor or a Joint Controller because the recipient itself determines the purposes and means of Processing but does so separately from the Controller providing it with Personal Data and "Independent Controller" shall be construed accordingly;
"Indexation"	the adjustment of an amount or sum in accordance with the Consumer Price Index (CPI);
"Information"	has the meaning given under section 84 of the Freedom of Information Act 2000;
"Information Commissioner"	the UK's independent authority which deals with ensuring information relating to rights in the public interest and data privacy for individuals is met, whilst promoting openness by public bodies;
"Initial Period"	the initial term of a Contract specified in the Framework Award Form or the Order Form, as the context requires;
"Insolvency Event"	with respect to any person, means: (a) that person suspends, or threatens to suspend, payment of its debts, or is unable to pay its debts as they fall due or admits inability to pay its debts, or: (i) (being a company or an LLP) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986, or (ii) (being a partnership) is deemed unable to pay its debts within the meaning of section 222 of the Insolvency Act 1986; (b) that person commences negotiations with one or more of its creditors (using a voluntary arrangement, scheme of arrangement or otherwise) with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with one or more of its creditors or takes any step to obtain a moratorium pursuant to Section 1A and Schedule A1 of the Insolvency Act 1986 other than (in the case of a company, a LLP or a partnership) for the sole purpose of a scheme for a solvent amalgamation of that person with one or more other companies or the solvent reconstruction of that person; (c) another person becomes entitled to appoint a receiver over the assets of that person or a receiver is appointed over the assets of that person; (d) a creditor or encumbrancer of that person attaches or takes possession of, or a distress, execution or other such process is levied or enforced on or sued against, the whole or any part of that person's assets and such attachment or process is not discharged within 14 days; (e) that person suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business; (f) where that person is a company, an LLP or a partnership: (i) a petition is presented (which is not dismissed within 14 days of its

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	service), a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of that person other than for the sole purpose of a scheme for a solvent amalgamation of that person with one or more other companies or the solvent reconstruction of that person; (ii) an application is made to court, or an order is made, for the appointment of an administrator, or if a notice of intention to appoint an administrator is filed at Court or given or if an administrator is appointed, over that person; (iii) (being a company or an LLP) the holder of a qualifying floating charge over the assets of that person has become entitled to appoint or has appointed an administrative receiver; or (iv) (being a partnership) the holder of an agricultural floating charge over the assets of that person has become entitled to appoint or has appointed an agricultural receiver; or (g) any event occurs, or proceeding is taken, with respect to that person in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned above;
"Installation Works"	all works which the Supplier is to carry out at the beginning of the Call-Off Contract Period to install the Goods in accordance with the Call-Off Contract;
"Intellectual Property Rights" or "IPR"	a) copyright, rights related to or affording protection similar to copyright, rights in databases, patents and rights in inventions, semi-conductor topography rights, trademarks, rights in internet domain names and website addresses and other rights in trade or business names, goodwill, designs, Know-How, trade secrets and other rights in Confidential Information; b) applications for registration, and the right to apply for registration, for any of the rights listed at (a) that are capable of being registered in any country or jurisdiction; and c) all other rights having equivalent or similar effect in any country or jurisdiction;
"Invoicing Address"	the address to which the Supplier shall invoice the Buyer as specified in the Order Form;
"IPR Claim"	any claim of infringement or alleged infringement (including the defence of such infringement or alleged infringement) of any IPR, used to provide the Deliverables or otherwise provided and/or licensed by the Supplier (or to which the Supplier has provided access) to the Relevant Authority in the fulfilment of its obligations under a Contract;
"IR35"	the off-payroll rules requiring individuals who work through their company pay the same income tax and National Insurance contributions as an employee which can be found online at:

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	https://www.gov.uk/guidance/ir35-find-out-if-it-applies;
"Joint Controller Agreement"	the agreement (if any) entered into between the Relevant Authority and the Supplier substantially in the form set out in Annex 2 of Joint Schedule 11 (<i>Processing Data</i>);
"Joint Controllers"	where two or more Controllers jointly determine the purposes and means of Processing;
"Key Staff"	the individuals (if any) identified as such in the Order Form;
"Key Sub-Contract"	each Sub-Contract with a Key Subcontractor;
"Key Subcontractor"	any Subcontractor: a) which is relied upon to deliver any work package within the Deliverables in their entirety; and/or b) which, in the opinion of CCS or the Buyer performs (or would perform if appointed) a critical role in the provision of all or any part of the Deliverables; and/or c) with a Sub-Contract with a contract value which at the time of appointment exceeds (or would exceed if appointed) 10% of the aggregate Charges forecast to be payable under the Call-Off Contract, and the Supplier shall list all such Key Subcontractors in section 19 of the Framework Award Form and in the Key Subcontractor Section in Order Form;
"Know-How"	all ideas, concepts, schemes, information, knowledge, techniques, methodology, and anything else in the nature of know-how relating to the Deliverables but excluding know-how already in the other Party's possession before the applicable Start Date;
"Law"	any law, subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, byelaw, enforceable right within the meaning of Section 2 of the European Communities Act 1972, regulation, order, regulatory policy, professional rules and ethical requirements, mandatory guidance or code of practice, judgement of a relevant court of law, or directives or requirements with which the relevant Party is bound to comply;
"Losses"	all losses, liabilities, damages, costs, expenses (including legal fees), disbursements, costs of investigation, litigation, settlement, judgement, interest, and penalties whether arising in contract, tort (including negligence), breach of statutory duty, misrepresentation or otherwise and "Loss" shall be interpreted accordingly;
"Lots"	the number of lots specified in Framework Schedule 1 (Specification), if applicable;
"Management Charge"	the sum specified in the Framework Award Form payable by the Supplier to CCS in accordance with Framework Schedule 5 (Management Charges and Information);

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"Management Information" or "MI"	the management information specified in Framework Schedule 5 (Management Charges and Information);
"MI Default"	means when two (2) MI Reports are not provided in any rolling six (6) month period
"MI Failure"	means when an MI report: a) contains any material errors or material omissions or a missing mandatory field; or b) is submitted using an incorrect MI reporting Template; or c) is not submitted by the reporting date (including where a declaration of no business should have been filed);
"MI Report"	means a report containing Management Information submitted to the Authority in accordance with Framework Schedule 5 (Management Charges and Information);
"MI Reporting Template"	means the form of report set out in the Annex to Framework Schedule 5 (Management Charges and Information) setting out the information the Supplier is required to supply to the Authority;
"Milestone"	an event or task described in the Implementation Plan;
"Milestone Date"	the target date set out against the relevant Milestone in the Implementation Plan by which the Milestone must be Achieved;
"Month"	a calendar month and "Monthly" shall be interpreted accordingly;
"National Insurance"	contributions required by the Social Security Contributions and Benefits Act 1992 and made in accordance with the Social Security (Contributions) Regulations 2001 (SI 2001/1004);
"New IPR"	IPR in items created by the Supplier (or by a third party on behalf of the Supplier) specifically for the purposes of a Contract and updates and amendments of these items including (but not limited to) database schema; and/or IPR in or arising as a result of the performance of the Supplier's obligations under a Contract and all updates and amendments to the same; but shall not include the Supplier's Existing IPR;
"Occasion of Tax Non-Compliance"	where: a) any Tax return of the Supplier submitted to a Relevant Tax Authority on or after 1 October 2012 is found on or after 1 April 2013 to be incorrect as a result of: i) a Relevant Tax Authority successfully challenging the Supplier under the General Anti-Abuse Rule or the Halifax Abuse Principle or under any Tax rules or legislation in any jurisdiction that have an effect equivalent or similar to the General Anti-Abuse Rule or the Halifax Abuse Principle; ii) the failure of an avoidance scheme which the Supplier was

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	involved in, and which was, or should have been, notified to a Relevant Tax Authority under the DOTAS or any equivalent or similar regime in any jurisdiction; and/or b) any Tax return of the Supplier submitted to a Relevant Tax Authority on or after 1 October 2012 which gives rise, on or after 1 April 2013, to a criminal conviction in any jurisdiction for Tax related offences which is not spent at the Start Date or to a civil penalty for fraud or evasion;
"Open Book Data "	complete and accurate financial and non-financial information which is sufficient to enable the Buyer to verify the Charges already paid or payable and Charges forecast to be paid during the remainder of the Call-Off Contract, including details and all assumptions relating to: a) the Supplier's Costs broken down against each Good and/or Service and/or Deliverable, including actual capital expenditure (including capital replacement costs) and the unit cost and total actual costs of all Deliverables; b) operating expenditure relating to the provision of the Deliverables including an analysis showing: iii) the unit costs and quantity of Goods and any other consumables and bought-in Deliverables; iv) staff costs broken down into the number and grade/role of all Supplier Staff (free of any contingency) together with a list of agreed rates against each grade; v) a list of Costs underpinning those rates for each grade, being the agreed rate less the Supplier Profit Margin; and vi) Reimbursable Expenses, if allowed under the Order Form; c) Overheads; d) all interest, expenses and any other third party financing costs incurred in relation to the provision of the Deliverables; e) the Supplier Profit achieved over the Framework Contract Period and on an annual basis; f) confirmation that all methods of Cost apportionment and Overhead allocation are consistent with and not more onerous than such methods applied generally by the Supplier; g) an explanation of the type and value of risk and contingencies associated with the provision of the Deliverables, including the amount of money attributed to each risk and/or contingency; and h) the actual Costs profile for each Service Period;

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"Order"	means an order for the provision of the Deliverables placed by a Buyer with the Supplier under a Contract;
"Order Form"	a completed Order Form Template (or equivalent information issued by the Buyer) used to create a Call-Off Contract;
"Order Form Template"	the template in Framework Schedule 6 (Order Form Template and Call-Off Schedules);
"Other Contracting Authority"	any actual or potential Buyer under the Framework Contract;
"Overhead"	those amounts which are intended to recover a proportion of the Supplier's or the Key Subcontractor's (as the context requires) indirect corporate costs (including financing, marketing, advertising, research and development and insurance costs and any fines or penalties) but excluding allowable indirect costs apportioned to facilities and administration in the provision of Supplier Staff and accordingly included within limb (a) of the definition of "Costs";
"Parliament"	takes its natural meaning as interpreted by Law;
"Party"	in the context of the Framework Contract, CCS, or the Supplier, and in the context of a Call-Off Contract the Buyer or the Supplier. "Parties" shall mean both of them where the context permits;
"Performance Indicators" or "PIs"	the performance measurements and targets in respect of the Supplier's performance of the Framework Contract set out in Framework Schedule 4 (Framework Management);
"Personal Data"	has the meaning given to it in the UK GDPR;
"Personal Data Breach"	has the meaning given to it in the UK GDPR;
"Personnel"	all directors, officers, employees, agents, consultants and suppliers of a Party and/or of any Subcontractor and/or Subprocessor engaged in the performance of its obligations under a Contract;
"Prescribed Person"	a legal adviser, an MP or an appropriate body which a whistle-blower may make a disclosure to as detailed in 'Whistleblowing: list of prescribed people and bodies', 24 November 2016, available online at: https://www.gov.uk/government/publications/blowing-the-whistle-list-of-prescribed-people-and-bodies--2/whistleblowing-list-of-prescribed-people-and-bodies ;
"Processing"	has the meaning given to it in the UK GDPR;
"Processor"	has the meaning given to it in the UK GDPR;
"Progress Meeting"	a meeting between the Buyer Authorised Representative and the Supplier Authorised Representative;
"Progress Meeting Frequency"	the frequency at which the Supplier shall conduct a Progress Meeting in accordance with Clause 6.1 as specified in the Order Form;
"Progress Report"	a report provided by the Supplier indicating the steps taken to achieve Milestones or delivery dates;
"Progress Report"	the frequency at which the Supplier shall deliver Progress Reports in

Frequency"	accordance with Clause 6.1 as specified in the Order Form;
"Prohibited Acts"	to directly or indirectly offer, promise or give any person working for or engaged by a Buyer or any other public body a financial or other advantage to: vii) induce that person to perform improperly a relevant function or activity; or viii) reward that person for improper performance of a relevant function or activity; b) to directly or indirectly request, agree to receive or accept any financial or other advantage as an inducement or a reward for improper performance of a relevant function or activity in connection with each Contract; or c) committing any offence: ix) under the Bribery Act 2010 (or any legislation repealed or revoked by such Act); or x) under legislation or common law concerning fraudulent acts; or xi) defrauding, attempting to defraud or conspiring to defraud a Buyer or other public body; or d) any activity, practice or conduct which would constitute one of the offences listed under (c) above if such activity, practice or conduct had been carried out in the UK;
"Protective Measures"	appropriate technical and organisational measures which may include: pseudonymisation and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of the such measures adopted by it including those outlined in Framework Schedule 9 (Cyber Essentials Scheme), if applicable, in the case of the Framework Contract or Call-Off Schedule 9 (Security), if applicable, in the case of a Call-Off Contract.
"Recall"	a request by the Supplier to return Goods to the Supplier or the manufacturer after the discovery of safety issues or defects (including defects in the right IPR rights) that might endanger health or hinder performance;
"Recipient Party"	the Party which receives or obtains directly or indirectly Confidential Information;
"Rectification Plan"	a) the Supplier's plan (or revised plan) to rectify its breach using the template in Joint Schedule 10 (Rectification Plan) which shall include: b) full details of the Default that has occurred, including a root

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	cause analysis; c) the actual or anticipated effect of the Default; and d) the steps which the Supplier proposes to take to rectify the Default (if applicable) and to prevent such Default from recurring, including timescales for such steps and for the rectification of the Default (where applicable);
"Rectification Plan Process"	the process set out in Clause 10.3.1 to 10.3.4 (Rectification Plan Process);
"Regulations"	the Public Contracts Regulations 2015 and/or the Public Contracts (Scotland) Regulations 2015 (as the context requires);
"Reimbursable Expenses"	the reasonable out of pocket travel and subsistence (for example, hotel and food) expenses, properly and necessarily incurred in the performance of the Services, calculated at the rates and in accordance with the Buyer's expenses policy current from time to time, but not including: - travel expenses incurred as a result of Supplier Staff travelling to and from their usual place of work, or to and from the premises at which the Services are principally to be performed, unless the Buyer otherwise agreed in advance in writing; and • subsistence expenses incurred by Supplier Staff whilst performing the Services at their usual place of work, or to and from the premises at which the Services are principally to be performed;
"Relevant Authority"	the Authority which is party to the Contract to which a right or obligation is owed, as the context requires;
"Relevant Authority's Confidential Information"	a) all Personal Data and any information, however it is conveyed, that relates to the business, affairs, developments, property rights, trade secrets, Know-How and IPR of the Relevant Authority (including all Relevant Authority Existing IPR and New IPR); b) any other information clearly designated as being confidential (whether or not it is marked "confidential") or which ought reasonably be considered confidential which comes (or has come) to the Relevant Authority's attention or into the Relevant Authority's possession in connection with a Contract; and information derived from any of the above;
"Relevant Requirements"	all applicable Law relating to bribery, corruption, and fraud, including the Bribery Act 2010 and any guidance issued by the Secretary of State pursuant to section 9 of the Bribery Act 2010;

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"Relevant Tax Authority"	HMRC, or, if applicable, the tax authority in the jurisdiction in which the Supplier is established;
"Reminder Notice"	a notice sent in accordance with Clause 10.5 given by the Supplier to the Buyer providing notification that payment has not been received on time;
"Replacement Deliverables"	any deliverables which are substantially similar to any of the Deliverables and which the Buyer receives in substitution for any of the Deliverables following the Call-Off Expiry Date, whether those goods are provided by the Buyer internally and/or by any third party;
"Replacement Subcontractor"	a Subcontractor of the Replacement Supplier to whom Transferring Supplier Employees will transfer on a Service Transfer Date (or any Subcontractor of any such Subcontractor);
"Replacement Supplier"	any third party provider of Replacement Deliverables appointed by or at the direction of the Buyer from time to time or where the Buyer is providing Replacement Deliverables for its own account, shall also include the Buyer;
"Request For Information"	a request for information or an apparent request relating to a Contract for the provision of the Deliverables or an apparent request for such information under the FOIA or the EIRs;
"Required Insurances"	the insurances required by Joint Schedule 3 (Insurance Requirements) or any additional insurances specified in the Order Form;
"Satisfaction Certificate"	the certificate (materially in the form of the document contained in of Part B of Call-Off Schedule 13 (Implementation Plan and Testing) or as agreed by the Parties where Call-Off Schedule 13 is not used in this Contract) granted by the Buyer when the Supplier has met all of the requirements of an Order, Achieved a Milestone or a Test;
"Security Management Plan"	the Supplier's security management plan prepared pursuant to Call-Off Schedule 9 (Security) (if applicable);
"Security Policy"	the Buyer's security policy, referred to in the Order Form, in force as at the Call-Off Start Date (a copy of which has been supplied to the Supplier), as updated from time to time and notified to the Supplier;
"Self-Audit Certificate"	means the certificate in the form as set out in Framework Schedule 8 (Self Audit Certificate);
"Serious Fraud Office"	the UK Government body named as such as may be renamed or replaced by an equivalent body from time to time;
"Service Levels"	any service levels applicable to the provision of the Deliverables under the Call Off Contract (which, where Call Off Schedule 14 (Service Levels) is used in this Contract, are specified in the Annex to Part A of such Schedule);
"Service Period"	has the meaning given to it in the Order Form;

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"Services"	services made available by the Supplier as specified in Framework Schedule 1 (Specification) and in relation to a Call-Off Contract as specified in the Order Form;
"Service Transfer"	any transfer of the Deliverables (or any part of the Deliverables), for whatever reason, from the Supplier or any Subcontractor to a Replacement Supplier or a Replacement Subcontractor;
"Service Transfer Date"	the date of a Service Transfer;
"Sites"	any premises (including the Buyer Premises, the Supplier's premises or third party premises) from, to or at which: a) the Deliverables are (or are to be) provided; or b) the Supplier manages, organises, or otherwise directs the provision or the use of the Deliverables; c) those premises at which any Supplier Equipment or any part of the Supplier System is located (where any part of the Deliverables provided falls within Call-Off Schedule 6 (ICT Services));
"SME"	an enterprise falling within the category of micro, small and medium sized enterprises defined by the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium enterprises;
"Special Terms"	any additional Clauses set out in the Framework Award Form or Order Form which shall form part of the respective Contract;
"Specific Change in Law"	a Change in Law that relates specifically to the business of the Buyer and which would not affect a Comparable Supply where the effect of that Specific Change in Law on the Deliverables is not reasonably foreseeable at the Start Date;
"Specification"	the specification set out in Framework Schedule 1 (Specification), as may, in relation to a Call-Off Contract, be supplemented by the Order Form;
"Standards"	any: a) standards published by BSI British Standards, the National Standards Body of the United Kingdom, the International Organisation for Standardisation or other reputable or equivalent bodies (and their successor bodies) that a skilled and experienced operator in the same type of industry or business sector as the Supplier would reasonably and ordinarily be expected to comply with; b) standards detailed in the specification in Schedule 1 (Specification); c) standards detailed by the Buyer in the Order Form or agreed

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	between the Parties from time to time; d) relevant Government codes of practice and guidance applicable from time to time;
"Start Date"	in the case of the Framework Contract, the date specified on the Framework Award Form, and in the case of a Call-Off Contract, the date specified in the Order Form;
"Statement of Requirements"	a statement issued by the Buyer detailing its requirements in respect of Deliverables issued in accordance with the Call-Off Procedure;
"Storage Media"	the part of any device that is capable of storing and retrieving data;
"Sub-Contract"	any contract or agreement (or proposed contract or agreement), other than a Call-Off Contract or the Framework Contract, pursuant to which a third party: provides the Deliverables (or any part of them); • provides facilities or services necessary for the provision of the Deliverables (or any part of them); and/or • is responsible for the management, direction or control of the provision of the Deliverables (or any part of them);
"Subcontractor"	any person other than the Supplier, who is a party to a Sub-Contract and the servants or agents of that person;
"Subprocessor"	any third Party appointed to process Personal Data on behalf of that Processor related to a Contract;
"Supplier"	the person, firm or company identified in the Framework Award Form;
"Supplier Assets"	all assets and rights used by the Supplier to provide the Deliverables in accordance with the Call-Off Contract but excluding the Buyer Assets;
"Supplier Authorised Representative"	the representative appointed by the Supplier named in the Framework Award Form, or later defined in a Call-Off Contract;
"Supplier's Confidential Information"	a) any information, however, it is conveyed, that relates to the business, affairs, developments, IPR of the Supplier (including the Supplier Existing IPR) trade secrets, Know-How, and/or personnel of the Supplier; b) any other information clearly designated as being confidential (whether or not it is marked as "confidential") or which ought reasonably to be considered to be confidential and which comes (or has come) to the Supplier's attention or into the Supplier's possession in connection with a Contract; c) Information derived from any of (a) and (b) above;
"Supplier's Contract"	the person identified in the Order Form appointed by the Supplier to

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Manager	oversee the operation of the Call-Off Contract and any alternative person whom the Supplier intends to appoint to the role, provided that the Supplier informs the Buyer prior to the appointment;
"Supplier Equipment"	the Supplier's hardware, computer and telecoms devices, equipment, plant, materials and such other items supplied and used by the Supplier (but not hired, leased or loaned from the Buyer) in the performance of its obligations under this Call-Off Contract;
"Supplier Marketing Contact"	shall be the person identified in the Framework Award Form;
"Supplier Non-Performance"	where the Supplier has failed to: a) Achieve a Milestone by its Milestone Date; b) provide the Goods and/or Services in accordance with the Service Levels; and/or c) comply with an obligation under a Contract;
"Supplier Profit"	in relation to a period, the difference between the total Charges (in nominal cash flow terms but excluding any Deductions and total Costs (in nominal cash flow terms) in respect of a Call-Off Contract for the relevant period;
"Supplier Profit Margin"	in relation to a period or a Milestone (as the context requires), the Supplier Profit for the relevant period or in relation to the relevant Milestone divided by the total Charges over the same period or in relation to the relevant Milestone and expressed as a percentage;
"Supplier Staff"	all directors, officers, employees, agents, consultants and contractors of the Supplier and/or of any Subcontractor engaged in the performance of the Supplier's obligations under a Contract;
"Supporting Documentation"	sufficient information in writing to enable the Buyer to reasonably assess whether the Charges, Reimbursable Expenses and other sums due from the Buyer under the Call-Off Contract detailed in the information are properly payable;
"Tax"	a) all forms of taxation whether direct or indirect; b) national insurance contributions in the United Kingdom and similar contributions or obligations in any other jurisdiction; c) all statutory, governmental, state, federal, provincial, local government or municipal charges, duties, imports, contributions, levies or liabilities (other than in return for goods or services supplied or performed or to be performed) and withholdings; and d) any penalty, fine, surcharge, interest, charges or costs relating to any of the above, in each case wherever chargeable and whether of the United

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	Kingdom and any other jurisdiction;
"Termination Notice"	a written notice of termination given by one Party to the other, notifying the Party receiving the notice of the intention of the Party giving the notice to terminate a Contract on a specified date and setting out the grounds for termination;
"Test Issue"	any variance or non-conformity of the Deliverables from their requirements as set out in a Call-Off Contract;
"Test Plan"	a plan: a) for the Testing of the Deliverables; and b) setting out other agreed criteria related to the achievement of Milestones;
"Tests "	any tests required to be carried out pursuant to a Call-Off Contract as set out in the Test Plan or elsewhere in a Call-Off Contract and "Tested" and "Testing" shall be construed accordingly;
"Third Party IPR"	Intellectual Property Rights owned by a third party which is or will be used by the Supplier for the purpose of providing the Deliverables;
"Transferring Supplier Employees"	those employees of the Supplier and/or the Supplier's Subcontractors to whom the Employment Regulations will apply on the Service Transfer Date;
"Transparency Information"	the Transparency Reports and the content of a Contract, including any changes to this Contract agreed from time to time, except for – (i) any information which is exempt from disclosure in accordance with the provisions of the FOIA, which shall be determined by the Relevant Authority; and (ii) Commercially Sensitive Information;
"Transparency Reports"	the information relating to the Deliverables and performance of the Contracts which the Supplier is required to provide to the Buyer in accordance with the reporting requirements in Call-Off Schedule 1 (Transparency Reports);
"Variation"	any change to a Contract;
"Variation Form"	the form set out in Joint Schedule 2 (Variation Form);
"Variation Procedure"	the procedure set out in Clause 24 (Changing the contract);
"VAT"	value added tax in accordance with the provisions of the Value Added Tax Act 1994;
"VCSE"	a non-governmental organisation that is value-driven and which principally reinvests its surpluses to further social, environmental or cultural objectives;
"Worker"	any one of the Supplier Staff which the Buyer, in its reasonable opinion, considers is an individual to which Procurement Policy Note 08/15 (Tax Arrangements of Public Appointees)

Joint Schedule 1 (Definitions)
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	(https://www.gov.uk/government/publications/procurement-policy-note-0815-tax-arrangements-of-appointees) applies in respect of the Deliverables;
"Working Day"	any day other than a Saturday or Sunday or public holiday in England and Wales unless specified otherwise by the Parties in the Order Form;
"Workday"	8.0 Work Hours, whether or not such hours are worked consecutively and whether or not they are worked on the same day; and
"Work Hours"	the hours spent by the Supplier Staff properly working on the provision of the Deliverables including time spent travelling (other than to and from the Supplier's offices, or to and from the Sites) but excluding lunch breaks.

Joint Schedule 2 (Variation Form)

This form is to be used in order to change a contract in accordance with Clause 24 (Changing the Contract)

Contract Details	
This variation is between:	[delete] as applicable: CCS / Buyer] (" CCS " " the Buyer ") And [insert] name of Supplier] (" the Supplier ")
Contract name:	[insert] name of contract to be changed] (" the Contract ")
Contract reference number:	[insert] contract reference number]
Details of Proposed Variation	
Variation initiated by:	[delete] as applicable: CCS/Buyer/Supplier]
Variation number:	[insert] variation number]
Date variation is raised:	[insert] date]
Proposed variation	
Reason for the variation:	[insert] reason]
An Impact Assessment shall be provided within:	[insert] number] days
Impact of Variation	
Likely impact of the proposed variation:	[Supplier to insert] assessment of impact]
Outcome of Variation	
Contract variation:	This Contract detailed above is varied as follows: [CCS/Buyer to insert] original Clauses or Paragraphs to be varied and the changed clause]
Financial variation:	Original Contract Value: £ [insert] amount]
	Additional cost due to variation: £ [insert] amount]
	New Contract value: £ [insert] amount]

Joint Schedule 2 (Variation Form)

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This Variation must be agreed and signed by both Parties to the Contract and shall only be effective from the date it is signed by **[delete]** as applicable: CCS / Buyer]

- Words and expressions in this Variation shall have the meanings given to them in the Contract.
- The Contract, including any previous Variations, shall remain effective and unaltered except as amended by this Variation.

Signed by an authorised signatory for and on behalf of the **[delete]** as applicable: CCS / Buyer]

Signature	
Date	
Name (in Capitals)	
Address	

Signed by an authorised signatory to sign for and on behalf of the Supplier

Signature	
Date	
Name (in Capitals)	
Address	

Joint Schedule 3 (Insurance Requirements)

1. The insurance you need to have

- 1.1 The Supplier shall take out and maintain or procure the taking out and maintenance of the insurances as set out in the Annex to this Schedule, any additional insurances required under a Call-Off Contract (specified in the applicable Order Form) ("**Additional Insurances**") and any other insurances as may be required by applicable Law (together the "**Insurances**"). The Supplier shall ensure that each of the Insurances is effective no later than:
 - 1.1.1 the Framework Start Date in respect of those Insurances set out in the Annex to this Schedule and those required by applicable Law; and
 - 1.1.2 the Call-Off Contract Effective Date in respect of the Additional Insurances.
- 1.2 The Insurances shall be:
 - 1.2.1 maintained in accordance with Good Industry Practice;
 - 1.2.2 (so far as is reasonably practicable) on terms no less favourable than those generally available to a prudent contractor in respect of risks insured in the international insurance market from time to time;
 - 1.2.3 taken out and maintained with insurers of good financial standing and good repute in the international insurance market; and
 - 1.2.4 maintained for at least six (6) years after the End Date.
- 1.3 The Supplier shall ensure that the public and products liability policy contain an indemnity to principal's clause under which the Relevant Authority shall be indemnified in respect of claims made against the Relevant Authority in respect of death or bodily injury or third party property damage arising out of or in connection with the Deliverables and for which the Supplier is legally liable.

2. How to manage the insurance

- 2.1 Without limiting the other provisions of this Contract, the Supplier shall:
 - 2.1.1 take or procure the taking of all reasonable risk management and risk control measures in relation to Deliverables as it would be reasonable to expect of a prudent contractor acting in accordance with Good Industry Practice, including the investigation and reports of relevant claims to insurers;
 - 2.1.2 promptly notify the insurers in writing of any relevant material fact under any Insurances of which the Supplier is or becomes aware; and
 - 2.1.3 hold all policies in respect of the Insurances and cause any insurance broker affecting the Insurances to hold any insurance slips and other evidence of placing cover representing any of the Insurances to which it is a party.

Joint Schedule 3 (Insurance Requirements)

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3. What happens if you aren't insured

- 3.1 The Supplier shall not take any action or fail to take any action or (insofar as is reasonably within its power) permit anything to occur in relation to it which would entitle any insurer to refuse to pay any claim under any of the Insurances.
- 3.2 Where the Supplier has failed to purchase or maintain any of the Insurances in full force and effect, the Relevant Authority may elect (but shall not be obliged) following written notice to the Supplier to purchase the relevant Insurances and recover the reasonable premium and other reasonable costs incurred in connection therewith as a debt due from the Supplier.

4. Evidence of insurance you must provide

- 4.1 The Supplier shall upon the Start Date and within 15 Working Days after the renewal of each of the Insurances, provide evidence, in a form satisfactory to the Relevant Authority, that the Insurances are in force and effect and meet in full the requirements of this Schedule.

5. Making sure you are insured to the required amount

- 5.1 The Supplier shall ensure that any Insurances which are stated to have a minimum limit "in the aggregate" are maintained at all times for the minimum limit of indemnity specified in this Contract and if any claims are made which do not relate to this Contract then the Supplier shall notify the Relevant Authority and provide details of its proposed solution for maintaining the minimum limit of indemnity.

6. Cancelled Insurance

- 6.1 The Supplier shall notify the Relevant Authority in writing at least five (5) Working Days prior to the cancellation, suspension, termination or non-renewal of any of the Insurances.
- 6.2 The Supplier shall ensure that nothing is done which would entitle the relevant insurer to cancel, rescind or suspend any insurance or cover, or to treat any insurance, cover or claim as voided in whole or part. The Supplier shall use all reasonable endeavours to notify the Relevant Authority (subject to third party confidentiality obligations) as soon as practicable when it becomes aware of any relevant fact, circumstance or matter which has caused, or is reasonably likely to provide grounds to, the relevant insurer to give notice to cancel, rescind, suspend or void any insurance, or any cover or claim under any insurance in whole or in part.

7. Insurance claims

- 7.1 The Supplier shall promptly notify to insurers any matter arising from, or in relation to, the Deliverables, or each Contract for which it may be entitled to claim under any of the Insurances. In the event that the Relevant Authority receives a claim relating to or arising out of a Contract or the Deliverables, the Supplier shall cooperate with the Relevant Authority and assist it in dealing with such claims including without limitation providing information and documentation in a timely manner.

Joint Schedule 3 (Insurance Requirements)

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- 7.2 Except where the Relevant Authority is the claimant party, the Supplier shall give the Relevant Authority notice within twenty (20) Working Days after any insurance claim in excess of 10% of the sum required to be insured pursuant to Paragraph 5.1 relating to or arising out of the provision of the Deliverables or this Contract on any of the Insurances or which, but for the application of the applicable policy excess, would be made on any of the Insurances and (if required by the Relevant Authority) full details of the incident giving rise to the claim.
- 7.3 Where any Insurance requires payment of a premium, the Supplier shall be liable for and shall promptly pay such premium.
- 7.4 Where any Insurance is subject to an excess or deductible below which the indemnity from insurers is excluded, the Supplier shall be liable for such excess or deductible. The Supplier shall not be entitled to recover from the Relevant Authority any sum paid by way of excess or deductible under the Insurances whether under the terms of this Contract or otherwise.

ANNEX: REQUIRED INSURANCES

1. The Supplier shall hold the following [standard] insurance cover from the Framework Start Date in accordance with this Schedule:
 - 1.1 professional indemnity insurance [with cover (for a single event or a series of related events and in the aggregate) of not less than] five million pounds (£5,000,000);
 - 1.2 public liability insurance [with cover (for a single event or a series of related events and in the aggregate)] of not less than five million pounds (£5,000,000); and
 - 1.3 employers' liability insurance [with cover (for a single event or a series of related events and in the aggregate) of not less than] five million pounds (£5,000,000).

[Guidance: adjust the above as required for your procurement and add any other insurance required for the framework tender. Note that this is not the place for Additional Insurances – they are specified in the Order Form by the Buyer.

Joint Schedule 4 (Commercially Sensitive Information)

What is Commercially Sensitive Information?

- o In this Schedule the Parties have sought to identify the Supplier's Confidential Information that is genuinely commercially sensitive and the disclosure of which would be the subject of an exemption under the FOIA and the EIRs.
- o Where possible, the Parties have sought to identify when any relevant Information will cease to fall into the category of Information to which this Schedule applies in the table below and in the Order Form (which shall be deemed incorporated into the table below).
- o Without prejudice to the Relevant Authority's obligation to disclose Information in accordance with FOIA or Clause 16 (When you can share information), the Relevant Authority will, in its sole discretion, acting reasonably, seek to apply the relevant exemption set out in the FOIA to the following Information:

No.	Date	Item(s)	Duration of Confidentiality
1	11 August 2023 (bid submission date)	Any EY proprietary methodology and delivery approach	August 2025 (expiry of AAS Framework)
2	11 August 2023 (bid submission date)	Pricing analysis and rate card	August 2025 (expiry of AAS Framework)

Commented [JA1]: Include some additional categories here related to the service provision which would prompt the Authority to consider FOIA exemptions for such categories if there is a request for information

Joint Schedule 7 (Financial Difficulties)

Definitions

- i. In this Schedule, the following words shall have the following meanings and they shall supplement Joint Schedule 1 (Definitions):

"Credit Rating Threshold"	the minimum credit rating level for the Monitored Company as set out in Annex 2
"Financial Distress Event"	the occurrence or one or more of the following events: - o the credit rating of the Monitored Company dropping below the applicable Credit Rating Threshold; - o the Monitored Company issuing a profits warning to a stock exchange or making any other public announcement about a material deterioration in its financial position or prospects; - o there being a public investigation into improper financial accounting and reporting, suspected fraud, or any other impropriety of the Monitored Company; - o Monitored Company committing a material breach of covenant to its lenders; - o a Key Subcontractor (where applicable) notifying CCS that the Supplier has not satisfied any sums properly due under a specified invoice and not subject to a genuine dispute; or - o any of the following: ▪ commencement of any litigation against the Monitored Company with respect to financial indebtedness or obligations under a contract; ▪ non-payment by the Monitored Company of any financial indebtedness; ▪ any financial indebtedness of the

	Monitored Company becoming due as a result of an event of default; or the cancellation or suspension of any financial indebtedness in respect of the Monitored Company in each case which CCS reasonably believes (or would be likely reasonably to believe) could directly impact on the continued performance of any Contract and delivery of the Deliverables in accordance with any Call-Off Contract;
"Financial Distress Service Continuity Plan"	a plan setting out how the Supplier will ensure the continued performance and delivery of the Deliverables in accordance with each Call-Off Contract in the event that a Financial Distress Event occurs;
"Monitored Company"	Supplier
"Rating Agencies"	the rating agencies listed in Annex 1.

- **When this Schedule applies**

- i. The Parties shall comply with the provisions of this Schedule in relation to the assessment of the financial standing of the Monitored Companies and the consequences of a change to that financial standing.
- ii. The terms of this Schedule shall survive:
 - i. under the Framework Contract until the later of (a) the termination or expiry of the Framework Contract or (b) the latest date of termination or expiry of any Call-Off Contract entered into under the Framework Contract (which might be after the date of termination or expiry of the Framework Contract); and
 - ii. under the Call-Off Contract until the termination or expiry of the Call-Off-Contract.

- **What happens when your credit rating changes**

- i. The Supplier warrants and represents to CCS that as at the Start Date the long term credit ratings issued for the Monitored Companies by each of the Rating Agencies are as set out in Annex 2.
- ii. The Supplier shall promptly (and in any event within five (5) Working Days) notify CCS in writing if there is any downgrade in the credit rating issued by any Rating Agency for a Monitored Company.
- iii. If there is any downgrade credit rating issued by any Rating Agency for the Monitored Company the Supplier shall ensure that the Monitored Company's auditors thereafter provide CCS within 10 Working Days of the end of each

Contract Year and within 10 Working Days of written request by CCS (such requests not to exceed 4 in any Contract Year) with written calculations of the quick ratio for the Monitored Company as at the end of each Contract Year or such other date as may be requested by CCS. For these purposes the "quick ratio" on any date means:

$$\frac{A + B + C}{D}$$

where:

A	is the value at the relevant date of all cash in hand and at the bank of the Monitored Company;
B	is the value of all marketable securities held by the Supplier the Monitored Company determined using closing prices on the Working Day preceding the relevant date;
C	is the value at the relevant date of all account receivables of the Monitored; and
D	is the value at the relevant date of the current liabilities of the Monitored Company.

- iv. The Supplier shall:
 - i. regularly monitor the credit ratings of each Monitored Company with the Rating Agencies; and
 - ii. promptly notify (or shall procure that its auditors promptly notify) CCS in writing following the occurrence of a Financial Distress Event or any fact, circumstance or matter which could cause a Financial Distress Event and, in any event, ensure that such notification is made within 10 Working Days of the date on which the Supplier first becomes aware of the Financial Distress Event or the fact, circumstance or matter which could cause a Financial Distress Event.
- v. For the purposes of determining whether a Financial Distress Event has occurred the credit rating of the Monitored Company shall be deemed to have dropped below the applicable Credit Rating Threshold if any of the Rating Agencies have rated the Monitored Company at or below the applicable Credit Rating Threshold.
 - **What happens if there is a financial distress event**
 - i. In the event of a Financial Distress Event then, immediately upon notification of the Financial Distress Event (or if CCS becomes aware of the Financial Distress Event without notification and brings the event to the attention of the Supplier), the Supplier shall have the obligations and CCS shall have the rights and remedies as set out in Paragraphs 4.3 to 4.6.

- ii. The Supplier shall and shall procure that the other Monitored Companies shall:
 - i. at the request of CCS meet CCS as soon as reasonably practicable (and in any event within three (3) Working Days of the initial notification (or awareness) of the Financial Distress Event) to review the effect of the Financial Distress Event on the continued performance of each Contract and delivery of the Deliverables in accordance each Call-Off Contract; and
 - ii. where CCS reasonably believes (taking into account the discussions and any representations made under Paragraph 4.3.1) that the Financial Distress Event could impact on the continued performance of each Contract and delivery of the Deliverables in accordance with each Call-Off Contract:
 - 1. submit to CCS for its Approval, a draft Financial Distress Service Continuity Plan as soon as reasonably practicable (and in any event, within ten (10) Working Days of the initial notification (or awareness) of the Financial Distress Event); and
 - 2. provide such financial information relating to the Monitored Company as CCS may reasonably require.
- iii. If CCS does not (acting reasonably) approve the draft Financial Distress Service Continuity Plan, it shall inform the Supplier of its reasons and the Supplier shall take those reasons into account in the preparation of a further draft Financial Distress Service Continuity Plan, which shall be resubmitted to CCS within five (5) Working Days of the rejection of the first or subsequent (as the case may be) drafts. This process shall be repeated until the Financial Distress Service Continuity Plan is Approved by CCS or referred to the Dispute Resolution Procedure.
- iv. If CCS considers that the draft Financial Distress Service Continuity Plan is insufficiently detailed to be properly evaluated, will take too long to complete or will not remedy the relevant Financial Distress Event, then it may either agree a further time period for the development and agreement of the Financial Distress Service Continuity Plan or escalate any issues with the draft Financial Distress Service Continuity Plan using the Dispute Resolution Procedure.
- v. Following Approval of the Financial Distress Service Continuity Plan by CCS, the Supplier shall:
 - i. on a regular basis (which shall not be less than Monthly), review the Financial Distress Service Continuity Plan and assess whether it remains adequate and up to date to ensure the continued performance of each Contract and delivery of the Deliverables in accordance with each Call-Off Contract;
 - ii. where the Financial Distress Service Continuity Plan is not adequate or up to date in accordance with Paragraph 4.6.1, submit an updated Financial Distress Service Continuity Plan to CCS for its Approval, and the provisions of Paragraphs 4.5 and 4.6 shall apply to the review and Approval process for the

- updated Financial Distress Service Continuity Plan; and
 - iii. comply with the Financial Distress Service Continuity Plan (including any updated Financial Distress Service Continuity Plan).
 - vi. Where the Supplier reasonably believes that the relevant Financial Distress Event (or the circumstance or matter which has caused or otherwise led to it) no longer exists, it shall notify CCS and subject to the agreement of the Parties, the Supplier may be relieved of its obligations under Paragraph 4.7.
 - vii. CCS shall be able to share any information it receives from the Buyer in accordance with this Paragraph with any Buyer who has entered into a Call-Off Contract with the Supplier.
- **When CCS or the Buyer can terminate for financial distress**
- i. CCS shall be entitled to terminate this Contract and Buyers shall be entitled to terminate their Call-Off Contracts for material Default if:
 - i. the Supplier fails to notify CCS of a Financial Distress Event in accordance with Paragraph 3.4;
 - ii. CCS and the Supplier fail to agree a Financial Distress Service Continuity Plan (or any updated Financial Distress Service Continuity Plan) in accordance with Paragraphs 4.3 to 4.5; and/or
 - iii. the Supplier fails to comply with the terms of the Financial Distress Service Continuity Plan (or any updated Financial Distress Service Continuity Plan) in accordance with Paragraph 4.6.3.

5.2 If the Contract is terminated in accordance with Paragraph 5.1, Clauses 10.6.1 and 10.6.2 of the Core Terms shall apply as if the Contract had been terminated under Clause 10.4.1.

What happens If your credit rating is still good

- ii. Without prejudice to the Supplier's obligations and CCS' and the Buyer's rights and remedies under Paragraph 5, if, following the occurrence of a Financial Distress Event, the Rating Agencies review and report subsequently that the credit ratings do not drop below the relevant Credit Rating Threshold, then:
 - i. the Supplier shall be relieved automatically of its obligations under Paragraphs 4.3 to 4.6; and
 - ii. CCS shall not be entitled to require the Supplier to provide financial information in accordance with Paragraph 4.3.2(b).

ANNEX 1: RATING AGENCIES

Dun & Bradstreet

ANNEX 2: CREDIT RATINGS & CREDIT RATING THRESHOLDS

Part 1: Credit Rating Threshold

Entity	Credit rating threshold (long term)
Ernst & Young LLP	51 (D&B failure score)

Joint Schedule 10 (Rectification Plan)

Request for [Revised] Rectification Plan		
Details of the Default:	[Guidance: Explain the Default, with clear schedule and clause references as appropriate]	
Deadline for receiving the [Revised] Rectification Plan:	[add date (minimum 10 days from request)]	
Signed by [CCS/Buyer]:		Date:
Supplier [Revised] Rectification Plan		
Cause of the Default	[add cause]	
Anticipated impact assessment:	[add impact]	
Actual effect of Default:	[add effect]	
Steps to be taken to rectification:	Steps	Timescale
	1.	[date]
	2.	[date]
	3.	[date]
	4.	[date]
	[...]	[date]
Timescale for complete Rectification of Default	[X] Working Days	
Steps taken to prevent recurrence of Default	Steps	Timescale
	1.	[date]
	2.	[date]
	3.	[date]
	4.	[date]

	[...]	[date]	
Signed by the Supplier:		Date:	
Review of Rectification Plan [CCS/Buyer]			
Outcome of review	[Plan Accepted] [Plan Rejected] [Revised Plan Requested]		
Reasons for Rejection (if applicable)	[add reasons]		
Signed by [CCS/Buyer]		Date:	

Joint Schedule 11 (Processing Data)

Definitions

- o In this Schedule, the following words shall have the following meanings and they shall supplement Joint Schedule 1 (Definitions):

“Processor Personnel” all directors, officers, employees, agents, consultants and suppliers of the Processor and/or of any Subprocessor engaged in the performance of its obligations under a Contract;

Status of the Controller

- o The Parties acknowledge that for the purposes of the Data Protection Legislation, the nature of the activity carried out by each of them in relation to their respective obligations under a Contract dictates the status of each party under the DPA 2018. A Party may act as:
 - “Controller” in respect of the other Party who is “Processor”;
 - “Processor” in respect of the other Party who is “Controller”;
 - “Joint Controller” with the other Party;
 - “Independent Controller” of the Personal Data where the other Party is also “Controller”,

in respect of certain Personal Data under a Contract and shall specify in Annex 1 (*Processing Personal Data*) which scenario they think shall apply in each situation.

Where one Party is Controller and the other Party its Processor

- o Where a Party is a Processor, the only Processing that it is authorised to do is listed in Annex 1 (*Processing Personal Data*) by the Controller.
- o The Processor shall notify the Controller immediately if it considers that any of the Controller’s instructions infringe the Data Protection Legislation.
- o The Processor shall provide all reasonable assistance to the Controller in the preparation of any Data Protection Impact Assessment prior to commencing any Processing. Such assistance may, at the discretion of the Controller, include:
 - a systematic description of the envisaged Processing and the purpose of the Processing;

- an assessment of the necessity and proportionality of the Processing in relation to the Deliverables;
 - an assessment of the risks to the rights and freedoms of Data Subjects; and
 - the measures envisaged to address the risks, including safeguards, security measures and mechanisms to ensure the protection of Personal Data.
- o The Processor shall, in relation to any Personal Data Processed in connection with its obligations under the Contract:
- Process that Personal Data only in accordance with Annex 1 (*Processing Personal Data*), unless the Processor is required to do otherwise by Law. If it is so required the Processor shall notify the Controller before Processing the Personal Data unless prohibited by Law;
 - ensure that it has in place Protective Measures, including in the case of the Supplier the measures set out in Clause 14.3 of the Core Terms, which the Controller may reasonably reject (but failure to reject shall not amount to approval by the Controller of the adequacy of the Protective Measures) having taken account of the:
 - nature of the data to be protected;
 - harm that might result from a Personal Data Breach;
 - state of technological development; and
 - cost of implementing any measures;
 - ensure that:
 - the Processor Personnel do not Process Personal Data except in accordance with the Contract (and in particular Annex 1 (*Processing Personal Data*));
 - it takes all reasonable steps to ensure the reliability and integrity of any Processor Personnel who have access to the Personal Data and ensure that they:
 - o are aware of and comply with the Processor's duties under this Joint Schedule 11, Clauses 14 (*Data protection*), 15 (*What you must keep confidential*) and 16 (*When you can share information*) of the Core Terms;
 - o are subject to appropriate confidentiality undertakings with the Processor or any Subprocessor;
 - o are informed of the confidential nature of the Personal Data and do not publish, disclose, or divulge any of the Personal Data to any third party unless directed in writing to do so by the Controller or as otherwise permitted by the Contract; and
 - o have undergone adequate training in the use, care, protection, and handling of Personal Data;
 - not transfer Personal Data outside of the UK or EU unless the prior written consent of the Controller has been obtained and the following conditions are

fulfilled:

- the Controller or the Processor has provided appropriate safeguards in relation to the transfer (whether in accordance with UK GDPR Article 46 or LED Article 37) as determined by the Controller;
 - the Data Subject has enforceable rights and effective legal remedies;
 - the Processor complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if it is not so bound, uses its best endeavours to assist the Controller in meeting its obligations); and
 - the Processor complies with any reasonable instructions notified to it in advance by the Controller with respect to the Processing of the Personal Data; and
- at the written direction of the Controller, delete or return Personal Data (and any copies of it) to the Controller on termination of the Contract unless the Processor is required by Law to retain the Personal Data.
- o Subject to paragraph 8 of this Joint Schedule 11, the Processor shall notify the Controller immediately if in relation to it Processing Personal Data under or in connection with the Contract it:
 - receives a Data Subject Access Request (or purported Data Subject Access Request);
 - receives a request to rectify, block or erase any Personal Data;
 - receives any other request, complaint or communication relating to either Party's obligations under the Data Protection Legislation;
 - receives any communication from the Information Commissioner or any other regulatory authority in connection with Personal Data Processed under the Contract;
 - receives a request from any third Party for disclosure of Personal Data where compliance with such request is required or purported to be required by Law; or
 - becomes aware of a Personal Data Breach.
 - o The Processor's obligation to notify under paragraph 7 of this Joint Schedule 11 shall include the provision of further information to the Controller, as details become available.
 - o Taking into account the nature of the Processing, the Processor shall provide the Controller with assistance in relation to either Party's obligations under Data Protection Legislation and any complaint, communication or request made under paragraph 7 of this Joint Schedule 11 (and insofar as possible within the timescales reasonably required by the Controller) including by immediately providing:

- the Controller with full details and copies of the complaint, communication or request;
 - such assistance as is reasonably requested by the Controller to enable it to comply with a Data Subject Access Request within the relevant timescales set out in the Data Protection Legislation;
 - the Controller, at its request, with any Personal Data it holds in relation to a Data Subject;
 - assistance as requested by the Controller following any Personal Data Breach; and/or
 - assistance as requested by the Controller with respect to any request from the Information Commissioner's Office, or any consultation by the Controller with the Information Commissioner's Office.
- o The Processor shall maintain complete and accurate records and information to demonstrate its compliance with this Joint Schedule 11. This requirement does not apply where the Processor employs fewer than 250 staff, unless:
- the Controller determines that the Processing is not occasional;
 - the Controller determines the Processing includes special categories of data as referred to in Article 9(1) of the UK GDPR or Personal Data relating to criminal convictions and offences referred to in Article 10 of the UK GDPR; or
 - the Controller determines that the Processing is likely to result in a risk to the rights and freedoms of Data Subjects.
- o The Processor shall allow for audits of its Data Processing activity by the Controller or the Controller's designated auditor.
- o The Parties shall designate a Data Protection Officer if required by the Data Protection Legislation.
- o Before allowing any Subprocessor to Process any Personal Data related to the Contract, the Processor must:
- notify the Controller in writing of the intended Subprocessor and Processing;
 - obtain the written consent of the Controller;
 - enter into a written agreement with the Subprocessor which give effect to the terms set out in this Joint Schedule 11 such that they apply to the Subprocessor; and
 - provide the Controller with such information regarding the Subprocessor as the Controller may reasonably require.
- o The Processor shall remain fully liable for all acts or omissions of any of its Subprocessor.
- o The Relevant Authority may, at any time on not less than thirty (30) Working Days' notice, revise this Joint Schedule 11 by replacing it with any applicable controller to processor standard clauses or similar terms forming part of an

applicable certification scheme (which shall apply when incorporated by attachment to the Contract).

- o The Parties agree to take account of any guidance issued by the Information Commissioner's Office. The Relevant Authority may on not less than thirty (30) Working Days' notice to the Supplier amend the Contract to ensure that it complies with any guidance issued by the Information Commissioner's Office.

Where the Parties are Joint Controllers of Personal Data

- o In the event that the Parties are Joint Controllers in respect of Personal Data under the Contract, the Parties shall implement paragraphs that are necessary to comply with UK GDPR Article 26 based on the terms set out in Annex 2 to this Joint Schedule 11.

Independent Controllers of Personal Data

- o With respect to Personal Data provided by one Party to another Party for which each Party acts as Controller but which is not under the Joint Control of the Parties, each Party undertakes to comply with the applicable Data Protection Legislation in respect of their Processing of such Personal Data as Controller.
- o Each Party shall Process the Personal Data in compliance with its obligations under the Data Protection Legislation and not do anything to cause the other Party to be in breach of it.
- o Where a Party has provided Personal Data to the other Party in accordance with paragraph 18 of this Joint Schedule 11 above, the recipient of the Personal Data will provide all such relevant documents and information relating to its data protection policies and procedures as the other Party may reasonably require.
- o The Parties shall be responsible for their own compliance with Articles 13 and 14 UK GDPR in respect of the Processing of Personal Data for the purposes of the Contract.
- o The Parties shall only provide Personal Data to each other:
 - to the extent necessary to perform their respective obligations under the Contract;
 - in compliance with the Data Protection Legislation (including by ensuring all required data privacy information has been given to affected Data Subjects to meet the requirements of Articles 13 and 14 of the UK GDPR); and
 - where it has recorded it in Annex 1 (*Processing Personal Data*).
- o Taking into account the state of the art, the costs of implementation and the nature, scope, context and purposes of Processing as well as the risk of varying likelihood and severity for the rights and freedoms of natural persons, each Party shall, with respect to its Processing of Personal Data as Independent

Controller, implement and maintain appropriate technical and organisational measures to ensure a level of security appropriate to that risk, including, as appropriate, the measures referred to in Article 32(1)(a), (b), (c) and (d) of the UK GDPR, and the measures shall, at a minimum, comply with the requirements of the Data Protection Legislation, including Article 32 of the UK GDPR.

- o A Party Processing Personal Data for the purposes of the Contract shall maintain a record of its Processing activities in accordance with Article 30 UK GDPR and shall make the record available to the other Party upon reasonable request.
- o Where a Party receives a request by any Data Subject to exercise any of their rights under the Data Protection Legislation in relation to the Personal Data provided to it by the other Party pursuant to the Contract (**"Request Recipient"**):
 - the other Party shall provide any information and/or assistance as reasonably requested by the Request Recipient to help it respond to the request or correspondence, at the cost of the Request Recipient; or
 - where the request or correspondence is directed to the other Party and/or relates to that other Party's Processing of the Personal Data, the Request Recipient will:
 - promptly, and in any event within five (5) Working Days of receipt of the request or correspondence, inform the other Party that it has received the same and shall forward such request or correspondence to the other Party; and
 - provide any information and/or assistance as reasonably requested by the other Party to help it respond to the request or correspondence in the timeframes specified by Data Protection Legislation.
- o Each Party shall promptly notify the other Party upon it becoming aware of any Personal Data Breach relating to Personal Data provided by the other Party pursuant to the Contract and shall:
 - do all such things as reasonably necessary to assist the other Party in mitigating the effects of the Personal Data Breach;
 - implement any measures necessary to restore the security of any compromised Personal Data;
 - work with the other Party to make any required notifications to the Information Commissioner's Office and affected Data Subjects in accordance with the Data Protection Legislation (including the timeframes set out therein); and

- not do anything which may damage the reputation of the other Party or that Party's relationship with the relevant Data Subjects, save as required by Law.
- o Personal Data provided by one Party to the other Party may be used exclusively to exercise rights and obligations under the Contract as specified in Annex 1 (*Processing Personal Data*).
- o Personal Data shall not be retained or processed for longer than is necessary to perform each Party's respective obligations under the Contract which is specified in Annex 1 (*Processing Personal Data*).
- o Notwithstanding the general application of paragraphs 2 to 16 of this Joint Schedule 11 to Personal Data, where the Supplier is required to exercise its regulatory and/or legal obligations in respect of Personal Data, it shall act as an Independent Controller of Personal Data in accordance with paragraphs 18 to 28 of this Joint Schedule 11.

Annex 1 - Processing Personal Data

This Annex shall be completed by the Controller, who may take account of the view of the Processors, however the final decision as to the content of this Annex shall be with the Relevant Authority at its absolute discretion.

- (a) The contact details of the Relevant Authority's Data Protection Officer are: Department for Energy Security and Net Zero, 1 3-8 Whitehall Place, London, SW1A 2EG Email: dataprotection@energysecurity.gov.uk
- (b) The contact details of the Supplier's Data Protection Officer are: Data Protection Officer: **Redacted Under FOIA Section 40, Personal Information** and email dataprotectionofficer@uk.ey.com
- (c) The Processor shall comply with any further written instructions with respect to Processing by the Controller.
- (d) Any such further instructions shall be incorporated into this Annex.

Description	Details
Identity of Controller for each Category of Personal Data	The Relevant Authority is Controller and the Supplier is Processor The Parties acknowledge that in accordance with paragraph 3 to paragraph 16 and for the purposes of the Data Protection Legislation, the Relevant Authority is the Controller and the Supplier is the Processor of the Personal Data specified below: The Parties are Independent Controllers of Personal Data <i>The Parties acknowledge that they are Independent Controllers for the purposes of the Data Protection Legislation in respect of:</i> • <i>Business contact details of Supplier Personnel for which the Supplier is the Controller,</i> • <i>Business contact details of any directors, officers, employees, agents, consultants and contractors of Relevant Authority (excluding the Supplier Personnel) engaged in the performance of the Relevant Authority's duties under the Contract) for which the Relevant Authority is the Controller,</i>

Duration of the Processing	For as long as necessary for the Supplier to perform its obligations under the Call-Off Agreement (" Agreement ") or as otherwise agreed by the Parties.
Nature and purposes of the Processing	The Relevant Authority and the Supplier, in exercising their respective rights and performing obligations under the Agreement, will be Processing, and sharing data between them for the purposes of conducting (i) discount application checks and (ii) data validation checks in respect of the EBDS scheme, relief application checks for Non-Standard Cases and post-payment checks for Non-Domestic Alternative Fuel Payments
Types of Personal Data	Whilst it is the expectation and understanding of both Parties that Processing and sharing of Personal Data, as defined in the UK GDPR, will be limited, such data may extend, without limitation, to the following: 1. Data provided by the Relevant Authority to the Supplier, including but not limited to: i) Relevant energy price and discount calculations for a non-domestic customer; ii) Calculation of the respective invoice discount amount; iii) Invoice and customer bill; and credit notes iv) Metering data v) Customer communications; and vi) Claims form data, including (without limitation) energy supplier name, business address, business bank account name and number, amount of energy supplied, previous claims, meter MPAN, meter MPRN, billing cycle, MPRN payment in arrears, and any other information as provided for in the relevant Specifications, always to the extent it constitutes Personal Data ("Claims-related Data"). vii) Customer eligibility documentation (ETII and ND AFP) viii) Arvato Case Files via Salesforce (For ND AFP)

	ix) UK SBS confirmation of payments (For ND AFP) 2. Data directly obtained from the energy suppliers by the Supplier, it being agreed that as between the Relevant Authority and the Supplier, the Relevant Authority is the Controller and the Supplier is the Processor. 3. Data generated by the Supplier in the ordinary course of the performance of its obligations under the Agreement ("Output Data"), including but not limited to: i) Fraud risk assessment reports evaluating fraud risks; ii) Discrepancies identified through performing the checks; and iii) Additional controls the energy supplier has put in place to meet the demands of the EBDS scheme.
Categories of Data Subject	• Energy suppliers, to the extent they are sole traders or partnerships; • Non-Domestic customers and energy providers, to the extent they are sole traders or partnerships; and • Supplier Personnel and any directors, officers, employees, agents, consultants, and contractors of the Relevant Authority.
Plan for return and destruction of the data once the Processing is complete UNLESS requirement under Union or Member State law to preserve that type of data	Where Personal Data is contained within the Contract documentation, this will be retained in line with the Department's privacy notice found within the Procurement Documents. The Personal Data will be retained by the Supplier for a 12 month retention period, following which the Supplier will provide the Contracting Authority with a complete and uncorrupted version of the Personal Data in electronic form (or such other format as reasonably required by the Contracting Authority and erase from any computers, storage devices and storage media that are to be retained by the Supplier the expiry of the Contract. The Supplier will certify to the Contracting Authority that it has completed such

	deletion.
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Call-Off Schedule 1 (Transparency Reports)

- 1.1 The Supplier recognises that the Buyer is subject to PPN 01/17 (Updates to transparency principles v1.1 (<https://www.gov.uk/government/publications/procurement-policy-note-0117-update-to-transparency-principles>)). The Supplier shall comply with the provisions of this Schedule in order to assist the Buyer with its compliance with its obligations under that PPN.
- 1.2 Without prejudice to the Supplier's reporting requirements set out in the Framework Contract, within three (3) Months of the Start Date the Supplier shall submit to the Buyer for Approval (such Approval not to be unreasonably withheld or delayed) draft Transparency Reports consistent with the content requirements and format set out in the Annex of this Schedule.
- 1.3 If the Buyer rejects any proposed Transparency Report submitted by the Supplier, the Supplier shall submit a revised version of the relevant report for further Approval within five (5) Working Days of receipt of any notice of rejection, taking account of any recommendations for revision and improvement to the report provided by the Buyer. If the Parties fail to agree on a draft Transparency Report the Buyer shall determine what should be included. Any other disagreement in connection with Transparency Reports shall be treated as a Dispute.
- 1.4 The Supplier shall provide accurate and up-to-date versions of each Transparency Report to the Buyer at the frequency referred to in the Annex of this Schedule.

Annex A: List of Transparency Reports

Title	Content	Format	Frequency
Performance	The supplier will deliver against key milestones set out in contract (to be finalised at mobilisation stage}.	Report produced by the supplier outlining the key milestones and completion dates, to be reviewed by the department.	To be reviewed weekly in progress meetings.
Call-Off Contract Charges	Summary of all call off charges against the contract.	Spreadsheet showing line by line breakdown of all time and	Aligned with invoicing frequency-monthly. To be

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		materials charges incurred against the contract.	received by the Department in advance of invoicing.
Technical	The work outlined in the specification is to address and minimise misuse of the scheme at the post-payment stage, including providing insight into the above areas, with a particular focus on the respective elements as outlined below. The Supplier is to: 1. On a sampling basis, provide evidence to the Department that all energy suppliers are accurately and consistently applying the discount calculation correctly and are not misstating contractual arrangements with their customers to abuse the scheme, and 2. as part of a report, detail additional controls the energy supplier has put in place to meet the demands of the scheme. (see below discount application check). 3. On a sampling basis, provide evidence to the	To be demonstrated throughout the duration of the contract – to be finalised ahead of contract signing.	N/A

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	Department that the data submitted to the Department, as part of the energy supplier's claim, reflects the data used to bill and invoice their customers and actual correspondence with customers, and 4. as part of a report, detail billing controls the energy supplier has in place to calculate and manage billing data, including unbilled estimated consumption data which they will be allowed to claim for under the rules of the scheme. (see below data validation check)		
Performance management	1. Number of energy suppliers that have discount application calculations checked, to include all aspects within the specification as outlined in the requirements by the agreed dates. 2. Number of energy suppliers that have data validation checks including all aspects included	1. Report produced by the supplier detailing completion of the agreed percentage of the energy market & suppliers assessed both gas and electricity.	Performance will be tracked weekly / monthly based on agreed methodology & timings.

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	within the specification checked as outlined in the requirements by the agreed dates. 3. Needs to manage the timely completion of reports to DESNZ against the reports outlined in the outputs across the energy supplier checks, the supplier will be required to report and complete the reports in the required timelines.		
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Call-Off Schedule 2 (Staff Transfer)

1. Definitions

- 1.1 In this Schedule, the following words have the following meanings and they shall supplement Joint Schedule 1 (Definitions):

"Acquired Rights Directive"	the European Council Directive 77/187/EEC on the approximation of laws of European member states relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses, as amended or re-enacted from time to time;
"Employee Liability"	all claims, actions, proceedings, orders, demands, complaints, investigations (save for any claims for personal injury which are covered by insurance) and any award, compensation, damages, tribunal awards, fine, loss, order, penalty, disbursement, payment made by way of settlement and costs, expenses and legal costs reasonably incurred in connection with a claim or investigation including in relation to the following: a) redundancy payments including contractual or enhanced redundancy costs, termination costs and notice payments;
	b) unfair, wrongful, or constructive dismissal compensation;
	c) compensation for discrimination on grounds of sex, race, disability, age, religion or belief, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation or claims for equal pay;
	d) compensation for less favourable treatment of part-time workers or fixed term employees;
	e) outstanding employment debts and unlawful deduction of wages including any PAYE and National Insurance Contributions;

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	f) employment claims whether in tort, contract, or statute or otherwise;
	g) any investigation relating to employment matters by the Equality and Human Rights Commission or other enforcement, regulatory or supervisory body and of implementing any requirements which may arise from such investigation;
"Former Supplier"	a supplier supplying services to the Buyer before the Relevant Transfer Date that are the same as or substantially similar to the Services (or any part of the Services) and shall include any Subcontractor of such supplier (or any Subcontractor of any such Subcontractor);
"New Fair Deal"	the revised Fair Deal position set out in the HM Treasury guidance: <i>"Fair Deal for Staff Pensions: Staff Transfer from Central Government"</i> issued in October 2013 including: (i) any amendments to that document immediately prior to the Relevant Transfer Date; and (ii) any similar pension protection in accordance with the Annexes D1-D3 inclusive to Part D of this Schedule as notified to the Supplier by the Buyer;
"Old Fair Deal"	HM Treasury Guidance <i>"Staff Transfers from Central Government: A Fair Deal for Staff Pensions"</i> issued in June 1999 including the supplementary guidance <i>"Fair Deal for Staff pensions: Procurement of Bulk Transfer Agreements and Related Issues"</i> issued in June 2004;
"Partial Termination"	the partial termination of the relevant Contract to the extent that it relates to the provision of any part of the Services as further provided for in Clause 10.4 (When CCS or the Buyer can end this contract) or 10.6 (When the Supplier can end the contract);
"Relevant Transfer"	a transfer of employment to which the Employment Regulations applies;
"Relevant Transfer Date"	in relation to a Relevant Transfer, the date upon which the Relevant Transfer takes place. For the purposes of Part D: Pensions and its Annexes, where the Supplier or a Subcontractor was the Former Supplier and there is no Relevant Transfer of the Fair Deal Employees

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	because they remain continuously employed by the Supplier (or Subcontractor), references to the Relevant Transfer Date shall become references to the Start Date;
"Staffing Information"	in relation to all persons identified on the Supplier's Provisional Supplier Personnel List or Supplier's Final Supplier Personnel List, as the case may be, such information as the Buyer may reasonably request (subject to all applicable provisions of the Data Protection Legislation), but including in an anonymised format: (a) their ages, dates of commencement of employment or engagement, gender and place of work;
	(b) details of whether they are employed, self-employed contractors or consultants, agency workers or otherwise;
	(c) the identity of the employer or relevant contracting Party;
	(d) their relevant contractual notice periods and any other terms relating to termination of employment, including redundancy procedures, and redundancy payments;
	(e) their wages, salaries, bonuses, and profit sharing arrangements as applicable;
	(f) details of other employment-related benefits, including (without limitation) medical insurance, life assurance, pension, or other retirement benefit schemes, share option schemes and company car schedules applicable to them;
	(g) any outstanding or potential contractual, statutory, or other liabilities in respect of such individuals (including in respect of personal injury claims);
	(h) details of any such individuals on long term sickness absence, parental leave, maternity leave, or other authorised long term absence;
	(i) copies of all relevant documents and materials relating to such information, including copies of relevant contracts of employment (or relevant

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	standard contracts if applied generally in respect of such employees); and
	(i) any other "employee liability information" as such term is defined in regulation 11 of the Employment Regulations;
"Supplier's Final Supplier Personnel List"	a list provided by the Supplier of all Supplier Staff whose will transfer under the Employment Regulations on the Service Transfer Date;
"Supplier's Provisional Supplier Personnel List"	a list prepared and updated by the Supplier of all Supplier Staff who are at the date of the list wholly or mainly engaged in or assigned to the provision of the Services or any relevant part of the Services which it is envisaged as at the date of such list will no longer be provided by the Supplier;
"Term"	the period commencing on the Start Date and ending on the expiry of the Initial Period or any Extension Period or on earlier termination of the relevant Contract;
"Transferring Buyer Employees"	those employees of the Buyer to whom the Employment Regulations will apply on the Relevant Transfer Date;
"Transferring Former Supplier Employees"	in relation to a Former Supplier, those employees of the Former Supplier to whom the Employment Regulations will apply on the Relevant Transfer Date.

2. INTERPRETATION

- 2.1 Where a provision in this Schedule imposes any obligation on the Supplier including (without limit) to comply with a requirement or provide an indemnity, undertaking or warranty, the Supplier shall procure that each of its Subcontractors shall comply with such obligation and provide such indemnity, undertaking or warranty to CCS, the Buyer, Former Supplier, Replacement Supplier or Replacement Subcontractor, as the case may be and where the Subcontractor fails to satisfy any claims under such indemnities the Supplier will be liable for satisfying any such claim as if it had provided the indemnity itself.
- 2.2 The provisions of Paragraphs 2.1 and 2.6 of Part A, Paragraph 3.1 of Part B, Paragraphs 1.5, 1.7 and 1.9 of Part C, Part D and Paragraphs 1.4, 2.3 and 2.8 of Part E of this Schedule (together "Third Party Provisions") confer benefits on third parties (each such person a "Third Party Beneficiary") and are intended to be enforceable by Third Party Beneficiaries by virtue of the CRTPA.
- 2.3 Subject to Paragraph 2.2 above, a person who is not a Party to this Call-Off Contract has no right under the CRTPA to enforce any term of this Call-Off

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Contract but this does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

2.4 No Third Party Beneficiary may enforce, or take any step to enforce, any Third Party Provision without the prior written consent of the Buyer, which may, if given, be given on and subject to such terms as the Buyer may determine.

2.5 Any amendments or modifications to this Call-Off Contract may be made, and any rights created under Paragraph 2.2 above may be altered or extinguished, by the Parties without the consent of any Third Party Beneficiary.

3. Which parts of this Schedule apply

Only the following parts of this Schedule shall apply to this Call Off Contract:

- o Part C (No Staff Transfer on the Start Date)
- o Part E (Staff Transfer on Exit)

Part A: Staff Transfer at the Start Date Outsourcing from the Buyer

1. What is a relevant transfer

- 1.1 The Buyer and the Supplier agree that:
- 1.1.1 the commencement of the provision of the Services or of each relevant part of the Services will be a Relevant Transfer in relation to the Transferring Buyer Employees; and
 - 1.1.2 as a result of the operation of the Employment Regulations, the contracts of employment between the Buyer and the Transferring Buyer Employees (except in relation to any terms disapplied through operation of regulation 10(2) of the Employment Regulations) will have effect on and from the Relevant Transfer Date as if originally made between the Supplier and/or any Subcontractor and each such Transferring Buyer Employee.
- 1.2 The Buyer shall comply with all its obligations under the Employment Regulations and shall perform and discharge all its obligations in respect of the Transferring Buyer Employees in respect of the period arising up to (but not including) the Relevant Transfer Date (including (without limit) the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part to the period up to (but not including) the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between: (i) the Buyer; and (ii) the Supplier and/or any Subcontractor (as appropriate).

2. Indemnities the Buyer must give

- 2.1 Subject to Paragraph 2.2, the Buyer shall indemnify the Supplier and any Subcontractor against any Employee Liabilities arising from or as a result of:
- 2.1.1 any act or omission by the Buyer in respect of any Transferring Buyer Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Buyer Employee occurring before the Relevant Transfer Date;
 - 2.1.2 the breach or non-observance by the Buyer before the Relevant Transfer Date of:
 - (a) any collective agreement applicable to the Transferring Buyer Employees; and/or
 - (b) any custom or practice in respect of any Transferring Buyer Employees which the Buyer is contractually bound to honour;
 - 2.1.3 any claim by any trade union or other body or person representing the Transferring Buyer Employees arising from or connected with any failure by the Buyer to comply with any legal

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- obligation to such trade union, body or person arising before the Relevant Transfer Date;
- 2.1.4 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
- (a) in relation to any Transferring Buyer Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising before the Relevant Transfer Date; and
 - (b) in relation to any employee who is not a Transferring Buyer Employee and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Buyer to the Supplier and/or any Subcontractor as appropriate, to the extent that the proceeding, claim or demand by the HMRC or other statutory authority relates to financial obligations arising before the Relevant Transfer Date.
- 2.1.5 a failure of the Buyer to discharge, or procure the discharge of, all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Buyer Employees arising before the Relevant Transfer Date;
- 2.1.6 any claim made by or in respect of any person employed or formerly employed by the Buyer other than a Transferring Buyer Employee for whom it is alleged the Supplier and/or any Subcontractor as appropriate may be liable by virtue of the Employment Regulations and/or the Acquired Rights Directive; and
- 2.1.7 any claim made by or in respect of a Transferring Buyer Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Buyer Employee relating to any act or omission of the Buyer in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the Supplier or any Subcontractor to comply with regulation 13(4) of the Employment Regulations.
- 2.2 The indemnities in Paragraph 2.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Supplier or any Subcontractor whether occurring or having its origin before, on or after the Relevant Transfer Date including any Employee Liabilities:
- 2.2.1 arising out of the resignation of any Transferring Buyer Employee before the Relevant Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by

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- the Supplier and/or any Subcontractor to occur in the period from (and including) the Relevant Transfer Date; or
- 2.2.2 arising from the failure by the Supplier or any Subcontractor to comply with its obligations under the Employment Regulations.
- 2.3 If any person who is not identified by the Buyer as a Transferring Buyer Employee claims, or it is determined in relation to any person who is not identified by the Buyer as a Transferring Buyer Employee, that his/her contract of employment has been transferred from the Buyer to the Supplier and/or any Subcontractor pursuant to the Employment Regulations or the Acquired Rights Directive then:
- 2.3.1 the Supplier shall, or shall procure that the Subcontractor shall, within 5 Working Days of becoming aware of that fact, notify the Buyer in writing; and
- 2.3.2 the Buyer may offer (or may procure that a third party may offer) employment to such person or take such other reasonable steps as the Buyer considers appropriate to deal with the matter provided always that such steps are in compliance with Law, within 15 Working Days of receipt of notice from the Supplier and/or any Subcontractor.
- 2.4 If an offer referred to in Paragraph 2.3.2 is accepted, or if the situation has otherwise been resolved by the Buyer, the Supplier shall, or shall procure that a Subcontractor shall, immediately release the person from his/her employment or alleged employment;
- 2.5 If by the end of the 15 Working Day period referred to in Paragraph 2.3.2:
- 2.5.1 no such offer of employment has been made;
- 2.5.2 such offer has been made but not accepted; or
- 2.5.3 the situation has not otherwise been resolved,
- the Supplier and/or any Subcontractor may within 5 Working Days give notice to terminate the employment or alleged employment of such person.
- 2.6 Subject to the Supplier and/or any Subcontractor acting in accordance with the provisions of Paragraphs 2.3 to 2.5 and in accordance with all applicable proper employment procedures set out in applicable Law and subject also to Paragraph 2.7, the Buyer will indemnify the Supplier and/or the relevant Subcontractor against all Employee Liabilities arising out of the termination of the employment pursuant to the provisions of Paragraph 2.5 provided that the Supplier takes, or procures that the Subcontractor takes, all reasonable steps to minimise any such Employee Liabilities.
- 2.7 The indemnity in Paragraph 2.6:
- 2.7.1 shall not apply to:
- (a) any claim for:

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- (i) discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or
- (ii) equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees;

in any case in relation to any alleged act or omission of the Supplier and/or any Subcontractor; or

- (b) any claim that the termination of employment was unfair because the Supplier and/or any Subcontractor neglected to follow a fair dismissal procedure; and

2.7.2 shall apply only where the notification referred to in Paragraph 2.3.1 is made by the Supplier and/or any Subcontractor (as appropriate) to the Buyer within 6 months of the Start Date

2.8 If any such person as is referred to in Paragraph 2.3 is neither re-employed by the Buyer nor dismissed by the Supplier and/or any Subcontractor within the time scales set out in Paragraph 2.5, such person shall be treated as having transferred to the Supplier and/or any Subcontractor and the Supplier shall, or shall procure that the relevant Subcontractor shall, comply with such obligations as may be imposed upon it under applicable Law.

3. Indemnities the Supplier must give and its obligations

3.1 Subject to Paragraph 3.2, the Supplier shall indemnify the Buyer against any Employee Liabilities arising from or as a result of:

- 3.1.1 any act or omission by the Supplier or any Subcontractor in respect of any Transferring Buyer Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Buyer Employee whether occurring before, on or after the Relevant Transfer Date;
- 3.1.2 the breach or non-observance by the Supplier or any Subcontractor on or after the Relevant Transfer Date of:
 - (a) any collective agreement applicable to the Transferring Buyer Employees; and/or
 - (b) any custom or practice in respect of any Transferring Buyer Employees which the Supplier or any Subcontractor is contractually bound to honour;
- 3.1.3 any claim by any trade union or other body or person representing any Transferring Buyer Employees arising from or connected with any failure by the Supplier or any Subcontractor

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- to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;
- 3.1.4 any proposal by the Supplier or a Subcontractor made before the Relevant Transfer Date to make changes to the terms and conditions of employment or working conditions of any Transferring Buyer Employees to their material detriment on or after their transfer to the Supplier or the relevant Subcontractor (as the case may be) on the Relevant Transfer Date, or to change the terms and conditions of employment or working conditions of any person who would have been a Transferring Buyer Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Relevant Transfer Date as a result of or for a reason connected to such proposed changes;
- 3.1.5 any statement communicated to or action undertaken by the Supplier or any Subcontractor to, or in respect of, any Transferring Buyer Employee before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Buyer in writing;
- 3.1.6 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
- (a) in relation to any Transferring Buyer Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date; and
 - (b) in relation to any employee who is not a Transferring Buyer Employee, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Buyer to the Supplier or a Subcontractor, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date;
- 3.1.7 a failure of the Supplier or any Subcontractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Author Buyer its Employees in respect of the period from (and including) the Relevant Transfer Date;
- 3.1.8 any claim made by or in respect of a Transferring Buyer Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Buyer Employee relating to any act or omission of the Supplier or any Subcontractor in relation to their obligations under regulation 13 of the Employment Regulations, except to the extent that the

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liability arises from the Buyer's failure to comply with its obligations under regulation 13 of the Employment Regulations; and

- 3.1.9 a failure by the Supplier or any Subcontractor to comply with its obligations under paragraph 2.8 above.

3.2 The indemnities in Paragraph 3.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Buyer whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities arising from the Buyer's failure to comply with its obligations under the Employment Regulations.

3.3 The Supplier shall comply, and shall procure that each Subcontractor shall comply, with all its obligations under the Employment Regulations (including its obligation to inform and consult in accordance with regulation 13 of the Employment Regulations) and shall perform and discharge, and shall procure that each Subcontractor shall perform and discharge, all its obligations in respect of the Transferring Buyer Employees, from (and including) the Relevant Transfer Date (including (without limit) the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part to the period from and including the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between the Buyer and the Supplier.

4. Information the Supplier must provide

4.1 The Supplier shall, and shall procure that each Subcontractor shall, promptly provide to the Buyer in writing such information as is necessary to enable the Buyer to carry out its duties under regulation 13 of the Employment Regulations. The Buyer shall promptly provide to the Supplier and any Subcontractor in writing such information as is necessary to enable the Supplier and any Subcontractor to carry out their respective duties under regulation 13 of the Employment Regulations.

5. Cabinet Office requirements

5.1 The Parties agree that the Principles of Good Employment Practice issued by the Cabinet Office in December 2010 apply to the treatment by the Supplier of employees whose employment begins after the Relevant Transfer Date, and the Supplier undertakes to treat such employees in accordance with the provisions of the Principles of Good Employment Practice.

5.2 The Supplier shall, and shall procure that each Subcontractor shall, comply with any requirement notified to it by the Buyer relating to pensions in respect of any Transferring Buyer Employee as set down in:

- 5.2.1 the Cabinet Office Statement of Practice on Staff Transfers in the Public Sector of January 2000, revised December 2013;

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5.2.2 Old Fair Deal; and/or

5.2.3 The New Fair Deal.

5.3 Any changes embodied in any statement of practice, paper or other guidance that replaces any of the documentation referred to in Paragraphs 5.1 or 5.2 shall be agreed in accordance with the Variation Procedure.

6. Pensions

6.1 The Supplier shall, and/or shall procure that each of its Subcontractors shall, comply with:

6.1.1 the requirements of Part 1 of the Pensions Act 2008, section 258 of the Pensions Act 2004 and the Transfer of Employment (Pension Protection) Regulations 2005 for all transferring staff; and

6.1.2 Part D: Pensions (and its Annexes) to this Schedule.

Part B: Staff transfer at the Start Date

Transfer from a Former Supplier

1. What is a relevant transfer

- 1.1 The Buyer and the Supplier agree that:
- 1.1.1 the commencement of the provision of the Services or of any relevant part of the Services will be a Relevant Transfer in relation to the Transferring Former Supplier Employees; and
 - 1.1.2 as a result of the operation of the Employment Regulations, the contracts of employment between each Former Supplier and the Transferring Former Supplier Employees (except in relation to any terms disapplied through the operation of regulation 10(2) of the Employment Regulations) shall have effect on and from the Relevant Transfer Date as if originally made between the Supplier and/or any Subcontractor and each such Transferring Former Supplier Employee.
- 1.2 The Buyer shall procure that each Former Supplier shall comply with all its obligations under the Employment Regulations and shall perform and discharge all its obligations in respect of all the Transferring Former Supplier Employees in respect of the period up to (but not including) the Relevant Transfer Date (including (without limit) the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part in respect of the period up to (but not including) the Relevant Transfer Date) and the Supplier shall make, and the Buyer shall procure that each Former Supplier makes, any necessary apportionments in respect of any periodic payments.

2. Indemnities given by the Former Supplier

- 2.1 Subject to Paragraph 2.2, the Buyer shall procure that each Former Supplier shall indemnify the Supplier and any Subcontractor against any Employee Liabilities arising from or as a result of:
- 2.1.1 any act or omission by the Former Supplier in respect of any Transferring Former Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Supplier Employee arising before the Relevant Transfer Date;
 - 2.1.2 the breach or non-observance by the Former Supplier arising before the Relevant Transfer Date of:
 - (a) any collective agreement applicable to the Transferring Former Supplier Employees; and/or

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- (b) any custom or practice in respect of any Transferring Former Supplier Employees which the Former Supplier is contractually bound to honour;
 - 2.1.3 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
 - (a) in relation to any Transferring Former Supplier Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising before the Relevant Transfer Date; and
 - (b) in relation to any employee who is not a Transferring Former Supplier Employee and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Former Supplier to the Supplier and/or any Subcontractor as appropriate, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations in respect of the period to (but excluding) the Relevant Transfer Date;
 - 2.1.4 a failure of the Former Supplier to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Former Supplier Employees in respect of the period to (but excluding) the Relevant Transfer Date;
 - 2.1.5 any claim made by or in respect of any person employed or formerly employed by the Former Supplier other than a Transferring Former Supplier Employee for whom it is alleged the Supplier and/or any Subcontractor as appropriate may be liable by virtue of the relevant Contract and/or the Employment Regulations and/or the Acquired Rights Directive; and
 - 2.1.6 any claim made by or in respect of a Transferring Former Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Supplier Employee relating to any act or omission of the Former Supplier in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the ability arises from the failure by the Supplier or any Subcontractor to comply with regulation 13(4) of the Employment Regulations.
- 2.2 The indemnities in Paragraph 2.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Supplier or any Subcontractor whether occurring or having its origin before, on

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or after the Relevant Transfer Date including, without limitation, any Employee Liabilities:

- 2.2.1 arising out of the resignation of any Transferring Former Supplier Employee before the Relevant Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Supplier or any Subcontractor to occur in the period from (and including) the Relevant Transfer Date; or
 - 2.2.2 arising from the failure by the Supplier and/or any Subcontractor to comply with its obligations under the Employment Regulations.
- 2.3 If any person who is not identified by the Former Supplier as a Transferring Former Supplier Employee claims, or it is determined in relation to any person who is not identified by the Former Supplier as a Transferring Former Supplier Employee, that his/her contract of employment has been transferred from a Former Supplier to the Supplier and/or any Subcontractor pursuant to the Employment Regulations or the Acquired Rights Directive then:
 - 2.3.1 the Supplier shall, or shall procure that the Subcontractor shall, within 5 Working Days of becoming aware of that fact, notify the Buyer and in writing and, where required by the Buyer, notify the relevant Former Supplier in writing; and
 - 2.3.2 the Former Supplier may offer (or may procure that a third party may offer) employment to such person, or take such other steps as the Former Supplier considers appropriate to deal with the matter provided always that such steps are in compliance with applicable Law, within 15 Working Days of receipt of notice from the Supplier and/or the Subcontractor (as appropriate).
- 2.4 If an offer referred to in Paragraph 2.3.2 is accepted, or if the situation has otherwise been resolved by the Former Supplier and/or the Buyer, the Supplier shall, or shall procure that the Subcontractor shall, immediately release the person from his/her employment or alleged employment.
- 2.5 If by the end of the 15 Working Day period referred to in Paragraph 2.3.2:
 - 2.5.1 no such offer of employment has been made;
 - 2.5.2 such offer has been made but not accepted; or
 - 2.5.3 the situation has not otherwise been resolved,the Supplier and/or any Subcontractor may within 5 Working Days give notice to terminate the employment or alleged employment of such person;
- 2.6 Subject to the Supplier and/or any Subcontractor acting in accordance with the provisions of Paragraphs 2.3 to 2.5 and in accordance with all applicable proper employment procedures set out in Law and subject also to Paragraph 2.7, the Buyer shall procure that the Former Supplier will indemnify the Supplier and/or the relevant Subcontractor against all Employee Liabilities arising out of the termination of the employment pursuant to the provisions of Paragraph 2.5

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provided that the Supplier takes, or shall procure that the Subcontractor takes, all reasonable steps to minimise any such Employee Liabilities.

2.7 The indemnity in Paragraph 2.6:

2.7.1 shall not apply to:

(a) any claim for:

- (i) discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or**
- (ii) equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees;**

in any case in relation to any alleged act or omission of the Supplier and/or any Subcontractor; or

(b) any claim that the termination of employment was unfair because the Supplier and/or Subcontractor neglected to follow a fair dismissal procedure; and

2.7.2 shall apply only where the notification referred to in Paragraph 2.3.1 is made by the Supplier and/or any Subcontractor (as appropriate) to the Buyer and, if applicable, the Former Supplier, within 6 months of the Start Date.

2.8 If Subcontractor any such person as is described in Paragraph 2.3 is neither re-employed by the Former Supplier nor dismissed by the Supplier and/or any Subcontractor within the time scales set out in Paragraph 2.5, such person shall be treated as having transferred to the Supplier and/or any Subcontractor and the Supplier shall, or shall procure that the Subcontractor shall, comply with such obligations as may be imposed upon it under applicable Law.

3. Indemnities the Supplier must give and its obligations

3.1 Subject to Paragraph 3.2, the Supplier shall indemnify the Buyer and/or the Former Supplier against any Employee Liabilities arising from or as a result of:

3.1.1 any act or omission by the Supplier or any Subcontractor in respect of any Transferring Former Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Supplier Employee whether occurring before, on or after the Relevant Transfer Date;

3.1.2 the breach or non-observance by the Supplier or any Subcontractor on or after the Relevant Transfer Date of:

- (a) any collective agreement applicable to the Transferring Former Supplier Employee; and/or**

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- (b) any custom or practice in respect of any Transferring Former Supplier Employees which the Supplier or any Subcontractor is contractually bound to honour;
- 3.1.3 any claim by any trade union or other body or person representing any Transferring Former Supplier Employees arising from or connected with any failure by the Supplier or a Subcontractor to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;
- 3.1.4 any proposal by the Supplier or a Subcontractor prior to the Relevant Transfer Date to make changes to the terms and conditions of employment or working conditions of any Transferring Former Supplier Employees to their material detriment on or after their transfer to the Supplier or a Subcontractor (as the case may be) on the Relevant Transfer Date, or to change the terms and conditions of employment or working conditions of any person who would have been a Transferring Former Supplier Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Relevant Transfer Date as a result of or for a reason connected to such proposed changes;
- 3.1.5 any statement communicated to or action undertaken by the Supplier or a Subcontractor to, or in respect of, any Transferring Former Supplier Employee before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Buyer and/or the Former Supplier in writing;
- 3.1.6 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
 - (a) in relation to any Transferring Former Supplier Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date; and
 - (b) in relation to any employee who is not a Transferring Former Supplier Employee, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Former Supplier to the Supplier or a Subcontractor, to the extent that the proceeding, claim or demand by the HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date;

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- 3.1.7 a failure of the Supplier or any Subcontractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Former Supplier Employees in respect of the period from (and including) the Relevant Transfer Date;
 - 3.1.8 any claim made by or in respect of a Transferring Former Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Supplier Employee relating to any act or omission of the Supplier or any Subcontractor in relation to obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the Former Supplier's failure to comply with its obligations under regulation 13 of the Employment Regulations; and
 - 3.1.9 a failure by the Supplier or any Subcontractor to comply with its obligations under Paragraph 2.8 above
- 3.2 The indemnities in Paragraph 3.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Former Supplier whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities arising from the Former Supplier's failure to comply with its obligations under the Employment Regulations.
- 3.3 The Supplier shall comply, and shall procure that each Subcontractor shall comply, with all its obligations under the Employment Regulations (including without limitation its obligation to inform and consult in accordance with regulation 13 of the Employment Regulations) and shall perform and discharge all its obligations in respect of all the Transferring Former Supplier Employees, on and from the Relevant Transfer Date (including (without limit) the payment of all remuneration, benefits, entitlements, and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions and all such sums due under the Admission Agreement which in any case are attributable in whole or in part to the period from (and including) the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between the Supplier and the Former Supplier.

4. Information the Supplier must give

The Supplier shall, and shall procure that each Subcontractor shall, promptly provide to the Buyer and/or at the Buyer's direction, the Former Supplier, in writing such information as is necessary to enable the Buyer and/or the Former Supplier to carry out their respective duties under regulation 13 of the Employment Regulations. The Buyer shall procure that the Former Supplier shall promptly provide to the Supplier and any Subcontractor in writing such information as is necessary to enable the Supplier and any Subcontractor to carry out their

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respective duties under regulation 13 of the Employment Regulations.

5. Cabinet Office requirements

5.1 The Supplier shall, and shall procure that each Subcontractor shall, comply with any requirement notified to it by the Buyer relating to pensions in respect of any Transferring Former Supplier Employee as set down in:

5.1.1 the Cabinet Office Statement of Practice on Staff Transfers in the Public Sector of January 2000, revised 2007;

5.1.2 Old Fair Deal; and/or

5.1.3 The New Fair Deal.

5.2 Any changes embodied in any statement of practice, paper or other guidance that replaces any of the documentation referred to in Paragraph 5.1 shall be agreed in accordance with the Variation Procedure.

6. Limits on the Former Supplier's obligations

Notwithstanding any other provisions of this Part B, where in this Part B the Buyer accepts an obligation to procure that a Former Supplier does or does not do something, such obligation shall be limited so that it extends only to the extent that the Buyer's contract with the Former Supplier contains a contractual right in that regard which the Buyer may enforce, or otherwise so that it requires only that the Buyer must use reasonable endeavours to procure that the Former Supplier does or does not act accordingly.

7. Pensions

7.1 The Supplier shall, and shall procure that each Subcontractor shall, comply with:

7.1.1 the requirements of Part 1 of the Pensions Act 2008, section 258 of the Pensions Act 2004 and the Transfer of Employment (Pension Protection) Regulations 2005 for all transferring staff; and

7.1.2 Part D: Pensions (and its Annexes) to this Schedule.

Part C: No Staff Transfer on the Start Date

1. What happens if there is a staff transfer

1.1 The Buyer and the Supplier agree that the commencement of the provision of the Services or of any part of the Services will not be a Relevant Transfer in relation to any employees of the Buyer and/or any Former Supplier.

1.2 If any employee of the Buyer and/or a Former Supplier claims, or it is determined in relation to any employee of the Buyer and/or a Former Supplier, that his/her contract of employment has been transferred from the Buyer and/or

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the Former Supplier to the Supplier and/or any Subcontractor pursuant to the Employment Regulations or the Acquired Rights Directive then:

- 1.2.1 the Supplier shall, and shall procure that the relevant Subcontractor shall, within 5 Working Days of becoming aware of that fact, notify the Buyer in writing and, where required by the Buyer, notify the Former Supplier in writing; and
 - 1.2.2 the Buyer and/or the Former Supplier may offer (or may procure that a third party may offer) employment to such person within 15 Working Days of the notification from the Supplier or the Subcontractor (as appropriate) or take such other reasonable steps as the Buyer or Former Supplier (as the case may be) it considers appropriate to deal with the matter provided always that such steps are in compliance with applicable Law.
- 1.3 If an offer referred to in Paragraph 1.2.2 is accepted (or if the situation has otherwise been resolved by the Buyer and/or the Former Supplier), the Supplier shall, or shall procure that the Subcontractor shall, immediately release the person from his/her employment or alleged employment.
- 1.4 If by the end of the 15 Working Day period referred to in Paragraph 1.2.2:
- 1.4.1 no such offer of employment has been made;
 - 1.4.2 such offer has been made but not accepted; or
 - 1.4.3 the situation has not otherwise been resolved;
- the Supplier may within 5 Working Days give notice to terminate the employment or alleged employment of such person.
- 1.5 Subject to the Supplier and/or the relevant Subcontractor acting in accordance with the provisions of Paragraphs 1.2 to 1.4 and in accordance with all applicable employment procedures set out in applicable Law and subject also to Paragraph 1.8 the Buyer shall:
- 1.5.1 indemnify the Supplier and/or the relevant Subcontractor against all Employee Liabilities arising out of the termination of the employment of any of the Buyer's employees referred to in Paragraph 1.2 made pursuant to the provisions of Paragraph 1.4 provided that the Supplier takes, or shall procure that the Subcontractor takes, all reasonable steps to minimise any such Employee Liabilities; and
 - 1.5.2 procure that the Former Supplier indemnifies the Supplier and/or any Subcontractor against all Employee Liabilities arising out of termination of the employment of the employees of the Former Supplier referred to in Paragraph 1.2 made pursuant to the provisions of Paragraph 1.4 provided that the Supplier takes, or shall procure that the relevant Subcontractor takes, all reasonable steps to minimise any such Employee Liabilities.

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- 1.6 If any such person as is described in Paragraph 1.2 is neither re employed by the Buyer and/or the Former Supplier as appropriate nor dismissed by the Supplier and/or any Subcontractor within the 15 Working Day period referred to in Paragraph 1.4 such person shall be treated as having transferred to the Supplier and/or the Subcontractor (as appropriate) and the Supplier shall, or shall procure that the Subcontractor shall, comply with such obligations as may be imposed upon it under Law.
- 1.7 Where any person remains employed by the Supplier and/or any Subcontractor pursuant to Paragraph 1.6, all Employee Liabilities in relation to such employee shall remain with the Supplier and/or the Subcontractor and the Supplier shall indemnify the Buyer and any Former Supplier, and shall procure that the Subcontractor shall indemnify the Buyer and any Former Supplier, against any Employee Liabilities that either of them may incur in respect of any such employees of the Supplier and/or employees of the Subcontractor.
- 1.8 The indemnities in Paragraph 1.5:
- 1.8.1 shall not apply to:
- (a) any claim for:
- (i) discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or
- (ii) equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,
- in any case in relation to any alleged act or omission of the Supplier and/or Subcontractor; or
- (b) any claim that the termination of employment was unfair because the Supplier and/or any Subcontractor neglected to follow a fair dismissal procedure; and
- 1.8.2 shall apply only where the notification referred to in Paragraph 1.2.1 is made by the Supplier and/or any Subcontractor to the Buyer and, if applicable, Former Supplier within 6 months of the Start Date.
- 1.9 If the Supplier and/or the Subcontractor does not comply with Paragraph 1.2, all Employee Liabilities in relation to such employees shall remain with the Supplier and/or the Subcontractor and the Supplier shall (i) comply with the provisions of Part D: Pensions of this Schedule, and (ii) indemnify the Buyer and any Former Supplier against any Employee Liabilities that either of them may incur in respect of any such employees of the Supplier and/or employees of the Subcontractor.

2. Limits on the Former Supplier's obligations

Where in this Part C the Buyer accepts an obligation to procure that a Former

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Supplier does or does not do something, such obligation shall be limited so that it extends only to the extent that the Buyer's contract with the Former Supplier contains a contractual right in that regard which the Buyer may enforce, or otherwise so that it requires only that the Buyer must use reasonable endeavours to procure that the Former Supplier does or does not act accordingly.

Part D: Pensions

1. Definitions

In this Part D and Part E, the following words have the following meanings and they shall supplement Joint Schedule 1 (Definitions), and shall be deemed to include the definitions set out in the Annexes to this Part D:

"Actuary"	a Fellow of the Institute and Faculty of Actuaries;
"Admission Agreement"	either or both of the CSPA Admission Agreement (as defined in Annex D1: CSPA) or the LGPS Admission Agreement (as defined in Annex D3: LGPS), as the context requires;
"Best Direction" Value	the Best Value Authorities Staff Transfers (Pensions) Direction 2007 or the Welsh Authorities Staff Transfers (Pensions) Direction 2012 (as appropriate);
"Broadly Comparable"	(a) in respect of a pension scheme, a status satisfying the condition that there are no identifiable employees who will suffer material detriment overall in terms of future accrual of pension benefits as assessed in accordance with Annex A of New Fair Deal and demonstrated by the issue by the Government Actuary's Department of a broad comparability certificate; and/or
	(b) in respect of benefits provided for or in respect of a member under a pension scheme, benefits that are consistent with that pension scheme's certificate of broad comparability issued by the Government Actuary's Department, and "Broad Comparability" shall be construed accordingly;
"CSPA"	the schemes as defined in Annex D1 to this Part D;
"Direction Letter/Determination"	has the meaning in Annex D2 to this Part D;
"Fair Deal Eligible"	each of the CSPA Eligible Employees, the NHSPS Eligible Employees and/or the LGPS Eligible

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Employees"	Employees (as applicable) (and shall include any such employee who has been admitted to and/or remains eligible to join a Broadly Comparable pension scheme at the relevant time in accordance with paragraph 10 or 11 of this Part D);
"Fair Employees" Deal	any of:
	(a) Transferring Buyer Employees;
	(b) Transferring Former Supplier Employees;
	(c) employees who are not Transferring Buyer Employees or Transferring Former Supplier Employees but to whom the Employment Regulations apply on the Relevant Transfer Date to transfer their employment to the Supplier or a Subcontractor, and whose employment is not terminated in accordance with the provisions of Paragraphs 2.5 of Parts A or B or Paragraph 1.4 of Part C;
	(d) where the Supplier or a Subcontractor was the Former Supplier, the employees of the Supplier (or Subcontractor);
	who at the Relevant Transfer Data are or become entitled to New Fair Deal or Best Value Direction protection in respect of any of the Statutory Schemes or a Broadly Comparable pension scheme provided in accordance with paragraph 10 of this Part D as notified by the Buyer;
"Fund Actuary"	a Fund Actuary as defined in Annex D3 to this Part D;
"LGPS"	the scheme as defined in Annex D3 to this Part D;
"NHSPS"	the schemes as defined in Annex D2 to this Part D;
	(a)
	(b)
"Statutory Schemes"	means the CSPA, NHSPS or LGPS.

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2. Supplier obligations to participate in the pension schemes

- 2.1 In respect of all or any Fair Deal Employees each of Annex D1: CSPA, Annex D2: NHSPS and/or Annex D3: LGPS shall apply, as appropriate.
- 2.2 The Supplier undertakes to do all such things and execute any documents (including any relevant Admission Agreement and/or Direction Letter/ Determination, if necessary) as may be required to enable the Supplier to participate in the appropriate Statutory Scheme in respect of the Fair Deal Employees and shall bear its own costs in such regard.
- 2.3 The Supplier undertakes:
 - 2.3.1 to pay to the Statutory Schemes all such amounts as are due under the relevant Admission Agreement and/or Direction Letter/ Determination or otherwise and shall deduct and pay to the Statutory Schemes such employee contributions as are required; and
 - 2.3.2 subject to paragraph 5 of Annex D3: LGPS to be fully responsible for all other costs, contributions, payments and other amounts relating to its participation in the Statutory Schemes, including for the avoidance of doubt any exit payments and the costs of providing any bond, indemnity or guarantee required in relation to such participation.
- 2.4 Where the Supplier is the Former Supplier (or a Subcontractor is a Subcontractor of the Former Supplier) and there is no Relevant Transfer of the Fair Deal Employees because they remain continuously employed by the Supplier (or Subcontractor) at the Start Date, this Part D and its Annexes shall be modified accordingly so that the Supplier (or Subcontractor) shall comply with its requirements from the Start Date or, where it previously provided a Broadly Comparable pension scheme, from the date it is able to close accrual of its Broadly Comparable pension scheme (following appropriate consultation and contractual changes as appropriate) if later. The Supplier (or Subcontractor) shall make arrangements for a bulk transfer from its Broadly Comparable pension scheme to the relevant Statutory Scheme in accordance with the requirements of the previous contract with the Buyer¹.

3. Supplier obligation to provide information

- 3.1 The Supplier undertakes to the Buyer:
 - 3.1.1 to provide all information which the Buyer may reasonably request concerning matters referred to in this Part D as expeditiously as possible; and
 - 3.1.2 not to issue any announcements to any Fair Deal Employee prior to the Relevant Transfer Date concerning the matters stated in this Part D without the consent in writing of the Buyer (such consent not to be unreasonably withheld or delayed);

¹

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- 3.1.3 retain such records as would be necessary to manage the pension aspects in relation to any current or former Fair Deal Eligible Employees arising on expiry or termination of the relevant Contract.

4. Indemnities the Supplier must give

- 4.1 The Supplier shall indemnify and keep indemnified CCS, [NHS Pensions], the Buyer and/or any Replacement Supplier and/or any Replacement Subcontractor on demand from and against all and any Losses whatsoever suffered or incurred by it or them which:

- 4.1.1 arise out of or in connection with any liability towards all and any Fair Deal Employees arising in respect of service on or after the Relevant Transfer Date which arise from any breach by the Supplier of this Part D, and/or the CSPA Admission Agreement and/or the Direction Letter/Determination and/or the LGPS Admission Agreement;
- 4.1.2 relate to the payment of benefits under and/or participation in a pension scheme (as defined in section 150(1) Finance Act 2004) provided by the Supplier or a Subcontractor on and after the Relevant Transfer Date until the date of termination or expiry of the relevant Contract, including the Statutory Schemes or any Broadly Comparable pension scheme provided in accordance with paragraphs 10 or 11 of this Part D;
- 4.1.3 relate to claims by Fair Deal Employees of the Supplier and/or of any Subcontractor or by any trade unions, elected employee representatives or staff associations in respect of all or any such Fair Deal Employees which Losses:

Subcontractor:

- (a) relate to any rights to benefits under a pension scheme (as defined in section 150(1) Finance Act 2004) in respect of periods of employment on and after the Relevant Transfer Date until the date of termination or expiry of the relevant Contract; or
- (b) arise out of the failure of the Supplier and/or any relevant Subcontractor to comply with the provisions of this Part D before the date of termination or expiry of the relevant Contract; and/or
- 4.1.4 arise out of or in connection with the Supplier (or its Subcontractor) allowing anyone who is not an NHSPS Fair Deal Employee to join or claim membership of the NHSPS at any time during the Term.

- 4.2 The indemnities in this Part D and its Annexes:

- 4.2.1 shall survive termination of the relevant Contract; and

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- 4.2.2 shall not be affected by the caps on liability contained in Clause 11 (How much you can be held responsible for).

5. What happens if there is a dispute

- 5.1 The Dispute Resolution Procedure will not apply to any dispute (i) between the CCS and/or the Buyer and/or the Supplier or (ii) between their respective actuaries and/or the Fund Actuary about any of the actuarial matters referred to in this Part D and its Annexes shall in the absence of agreement between the CCS and/or the Buyer and/or the Supplier be referred to an independent Actuary:

- 5.1.1 who will act as an expert and not as an arbitrator;
- 5.1.2 whose decision will be final and binding on the CCS and/or the Buyer and/or the Supplier; and
- 5.1.3 whose expenses shall be borne equally by the CCS and/or the Buyer and/or the Supplier unless the independent Actuary shall otherwise direct.

The independent Actuary shall be agreed by the Parties or, failing such agreement the independent Actuary shall be appointed by the President for the time being of the Institute and Faculty of Actuaries on the application by the Parties.

6. Other people's rights

- 6.1 The Parties agree Clause 19 (Other people's rights in this contract) does not apply and that the CRTPA applies to this Part D to the extent necessary to ensure that any Fair Deal Employee will have the right to enforce any obligation owed to him or her or it by the Supplier under this Part D, in his or her or its own right under section 1(1) of the CRTPA.
- 6.2 Further, the Supplier must ensure that the CRTPA will apply to any Subcontract to the extent necessary to ensure that any Fair Deal Employee will have the right to enforce any obligation owed to them by the Subcontractor in his or her or its own right under section 1(1) of the CRTPA.

7. What happens if there is a breach of this Part D

- 7.1 The Supplier agrees to notify the Buyer should it breach any obligations it has under this Part D and agrees that the Buyer shall be entitled to terminate its Contract for material Default in the event that the Supplier:
 - 7.1.1 commits an irremediable breach of any provision or obligation it has under this Part D; or
 - 7.1.2 commits a breach of any provision or obligation it has under this Part D which, where capable of remedy, it fails to remedy within a reasonable time and in any event within 28 days of the date of a notice from the Buyer giving particulars of the breach and requiring the Supplier to remedy it.

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8. Transferring Fair Deal Employees

8.1 Save on expiry or termination of the relevant Contract, if the employment of any Fair Deal Eligible Employee transfers to another employer (by way of a transfer under the Employment Regulations or other form of compulsory transfer of employment) the Supplier shall or shall procure that any relevant Sub-contractor shall:

- 8.1.1 notify the Buyer as far as reasonably practicable in advance of the transfer to allow the Buyer to make the necessary arrangements for participation with the relevant Statutory Scheme(s);
- 8.1.2 consult with about, and inform those Fair Deal Eligible Employees of the pension provisions relating to that transfer; and
- 8.1.3 procure that the employer to which the Fair Deal Eligible Employees are transferred (the **"New Employer"**) complies with the provisions of this Part D and its Annexes provided that references to the "Supplier" will become references to the New Employer, references to "Relevant Transfer Date" will become references to the date of the transfer to the New Employer and references to "Fair Deal Employees" will become references to the Fair Deal Eligible Employees so transferred to the New Employer.

9. What happens to pensions if this Contract ends

- 9.1 The provisions of Part E: Staff Transfer On Exit (Mandatory) apply in relation to pension issues on expiry or termination of the relevant Contract.
- 9.2 The Supplier shall (and shall procure that any of its Subcontractors shall) prior to the termination of the relevant Contract provide all such cooperation and assistance (including co-operation and assistance from the Broadly Comparable pension scheme's Actuary) as the Replacement Supplier and/or NHS Pension and/or CSPA and/or the relevant Administering Buyer and/or the Buyer may reasonably require, to enable the Replacement Supplier to participate in the appropriate Statutory Scheme in respect of any Fair Deal Eligible Employee that remains eligible for New Fair Deal protection following a Service Transfer.

10. Broadly Comparable Pension Schemes on the Relevant Transfer Date

- 10.1 If the terms of any of paragraphs 4 of Annex D2: NHSPS or 3.1 of Annex D3: LGPS applies, the Supplier must (and must, where relevant, procure that each of its Subcontractors will) ensure that, with effect from the Relevant Transfer Date until the day before the Service Transfer Date, the relevant Fair Deal Employees will be eligible for membership of a pension scheme under which

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the benefits are Broadly Comparable to those provided under the relevant Statutory Scheme, and then on such terms as may be decided by the Buyer.

10.2 Such Broadly Comparable pension scheme must be:

- 10.2.1 established by the Relevant Transfer Date²;
- 10.2.2 a registered pension scheme for the purposes of Part 4 of the Finance Act 2004;
- 10.2.3 capable of receiving a bulk transfer payment from the relevant Statutory Scheme or from a Former Supplier's Broadly Comparable pension scheme (unless otherwise instructed by the Buyer);
- 10.2.4 capable of paying a bulk transfer payment to the Replacement Supplier's Broadly Comparable pension scheme (or the relevant Statutory Scheme if applicable) (unless otherwise instructed by the Buyer); and
- 10.2.5 maintained until such bulk transfer payments have been received or paid (unless otherwise instructed by the Buyer).

10.3 Where the Supplier has set up a Broadly Comparable pension scheme pursuant to the provisions of this Paragraph 10, the Supplier shall (and shall procure that any of its Subcontractors shall):

- 10.3.1 supply to the Buyer details of its (or its Subcontractor's) Broadly Comparable pension scheme and provide a full copy of the valid certificate of broad comparability (which remains valid as at the Relevant Transfer Date) covering all relevant Fair Deal Employees, as soon as it is able to do so before the Relevant Transfer Date (where possible) and in any event no later than seven (7) days after receipt of the certificate;
- 10.3.2 be fully responsible for all costs, contributions, payments and other amounts relating to the setting up, certification of, ongoing participation in and/or withdrawal and exit from the Broadly Comparable pension scheme, including for the avoidance of doubt any debts arising under section 75 or 75A of the Pensions Act 1995;
- 10.3.3 instruct any such Broadly Comparable pension scheme's Actuary to provide all such cooperation and assistance in agreeing bulk transfer process with the Actuary to the Former Supplier's Broadly Comparable pension scheme or the Actuary to the relevant Statutory Scheme (as appropriate) and to provide all such cooperation and assistance with any other Actuary appointed by the Buyer (where applicable). This will be with a view to the bulk transfer terms providing day for day and/or pound for pound (as applicable) (or actuarially equivalent where there are benefit differences between the two schemes) credits in the

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- Broadly Comparable pension scheme in respect of any Fair Deal Eligible Employee who consents to such a transfer³; and
- 10.3.4 provide a replacement Broadly Comparable pension scheme in accordance with this paragraph 10 with immediate effect for those Fair Deal Eligible Employees who are still employed by the Supplier and/or relevant Subcontractor and are still eligible for New Fair Deal protection in the event that the Supplier and/or Subcontractor's Broadly Comparable pension scheme is terminated. The relevant Fair Deal Eligible Employees must be given the option to transfer their accrued benefits from the previous Broadly Comparable pension scheme to the new Broadly Comparable pension scheme on day for day and/or pound for pound terms (as applicable) (or actuarially equivalent where there are benefit differences between the two schemes).
- 10.4 Where the Supplier has provided a Broadly Comparable pension scheme pursuant to the provisions of this paragraph 10, the Supplier shall (and shall procure that any of its Subcontractors shall) prior to the termination of the relevant Contract:
- 10.4.1 allow and make all necessary arrangements to effect, in respect of any Fair Deal Eligible Employee that remains eligible for New Fair Deal protection, following a Service Transfer, the bulk transfer of past service from any such Broadly Comparable pension scheme into the Replacement Supplier's Broadly Comparable pension scheme (or the relevant Statutory Scheme if applicable). The bulk transfer terms provided shall be on a past service reserve basis which should be calculated allowing for projected final salary at the assumed date of retirement, leaving service or death (in the case of final salary benefits). The actuarial basis for this past service reserve basis should be aligned to the funding requirements of the Broadly Comparable pension scheme in place at the time the bulk transfer terms are offered. The bulk transfer terms shall be subject to an underpin in relation to any service credits awarded in the Broadly Comparable pension scheme in accordance with paragraph 10.3.3 such that the element of the past service reserve amount which relates to such service credits shall be no lower than that required by the bulk transfer terms that were agreed in accordance with paragraph 10.3.3 but using the last day of the Fair Deal Eligible Employees' employment with the Supplier or Subcontractor (as appropriate) as the date used to determine the actuarial assumptions; and
- 10.4.2 if the transfer payment paid by the trustees of the Broadly Comparable pension scheme is less (in the opinion of the Actuary to the Replacement Supplier's Broadly Comparable pension scheme (or to the relevant Statutory Scheme if applicable)) than

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the transfer payment which would have been paid had paragraph 10.4.1 been complied with, the Supplier shall (or shall procure that the Subcontractor shall) pay the amount of the difference to the Replacement Supplier's Broadly Comparable pension scheme (or relevant Statutory Scheme if applicable) or as the Buyer shall otherwise direct. The Supplier shall indemnify the Buyer or the Replacement Supplier's Broadly Comparable pension scheme (or the relevant Statutory Scheme if applicable) (as the Buyer directs) for any failure to pay the difference as required under this paragraph.

11. Broadly Comparable Pension Scheme in Other Circumstances

- 11.1 If the terms of any of paragraphs 2.2 of Annex D1: CSPS, 5.2 of Annex D2: NHSPS and/or 3.2 of Annex D3: LGPS apply, the Supplier must (and must, where relevant, procure that each of its Subcontractors will) ensure that, with effect from the cessation of participation in the Statutory Scheme, until the day before the Service Transfer Date, the relevant Fair Deal Eligible Employees will be eligible for membership of a pension scheme under which the benefits are Broadly Comparable to those provided under the relevant Statutory Scheme at the date of cessation of participation in the relevant Statutory Scheme, and then on such terms as may be decided by the Buyer.
- 11.2 Such Broadly Comparable pension scheme must be:
 - 11.2.1 established by the date of cessation of participation in the Statutory Scheme⁴;
 - 11.2.2 a registered pension scheme for the purposes of Part 4 of the Finance Act 2004;
 - 11.2.3 capable of receiving a bulk transfer payment from the relevant Statutory Scheme (where instructed to do so by the Buyer);
 - 11.2.4 capable of paying a bulk transfer payment to the Replacement Supplier's Broadly Comparable pension scheme (or the relevant Statutory Scheme if applicable) (unless otherwise instructed by the Buyer); and
 - 11.2.5 maintained until such bulk transfer payments have been received or paid (unless otherwise instructed by the Buyer).
- 11.3 Where the Supplier has provided a Broadly Comparable pension scheme pursuant to the provisions of this paragraph 11, the Supplier shall (and shall procure that any of its Subcontractors shall):
 - 11.3.1 supply to the Buyer details of its (or its Subcontractor's) Broadly Comparable pension scheme and provide a full copy of the valid certificate of broad comparability (which remains valid as at the date of cessation of participation in the Statutory Scheme) covering all relevant Fair Deal Eligible Employees, as soon as it

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- is able to do so before the cessation of participation in the Statutory Scheme (where possible) and in any event no later than seven (7) days after receipt of the certificate;
- 11.3.2 be fully responsible for all costs, contributions, payments and other amounts relating to the setting up, certification of, ongoing participation in and/or withdrawal and exit from the Broadly Comparable pension scheme, including for the avoidance of doubt any debts arising under section 75 or 75A of the Pensions Act 1995;
- 11.3.3 where required to do so by the Buyer, instruct any such Broadly Comparable pension scheme's Actuary to provide all such cooperation and assistance in agreeing a bulk transfer process with the Actuary to the relevant Statutory Scheme and to provide all such cooperation and assistance with any other Actuary appointed by the Buyer (where applicable). The Supplier must ensure that day for day and/or pound for pound (as applicable) (or actuarially equivalent where there are benefit differences between the two schemes) credits in the Broadly Comparable pension scheme are provided in respect of any Fair Deal Employee who consents to such a transfer from the Statutory Scheme and the Supplier shall be fully responsible for any costs of providing those credits in excess of the bulk transfer payment received by the Broadly Comparable pension scheme⁵; and
- 11.3.4 provide a replacement Broadly Comparable pension scheme in accordance with this paragraph 11 with immediate effect for those Fair Deal Eligible Employees who are still employed by the Supplier and/or relevant Subcontractor and are still eligible for New Fair Deal protection in the event that the Supplier and/or Subcontractor's Broadly Comparable pension scheme is closed to future accrual and/or terminated. The relevant Fair Deal Eligible Employees must be given the option to transfer their accrued benefits from the previous Broadly Comparable pension scheme to the new Broadly Comparable pension scheme on day for day and/or pound for pound terms (as applicable) (or actuarially equivalent where there are benefit differences between the two schemes).
- 11.4 Where the Supplier has provided a Broadly Comparable pension scheme pursuant to the provisions of this paragraph 11, the Supplier shall (and shall procure that any of its Subcontractors shall) prior to the termination of the relevant Contract allow and make all necessary arrangements to effect, in respect of any Fair Deal Eligible Employee that remains eligible for New Fair Deal protection, following a Service Transfer, the bulk transfer of past service from any such Broadly Comparable pension scheme into the Replacement Supplier's Broadly Comparable pension scheme (or relevant Statutory Scheme if applicable). The bulk transfer terms provided shall be sufficient to secure day

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for day and/or pound for pound credits (as applicable) (or actuarially equivalent where there are benefit differences between the two schemes) in the Replacement Supplier's Broadly Comparable pension scheme (or relevant Statutory Scheme if applicable). For the avoidance of doubt, should the amount offered by the Broadly Comparable pension scheme be less than the amount required by the Replacement Supplier's Broadly Comparable pension scheme (or the relevant Statutory Scheme if applicable) to fund the required credits ("**the Shortfall**"), the Supplier or the Subcontractor (as agreed between them) must pay the Replacement Supplier's Broadly Comparable pension scheme (or relevant Statutory Scheme if applicable) the Shortfall as required, provided that in the absence of any agreement between the Supplier and any Subcontractor, the Shortfall shall be paid by the Supplier. The Supplier shall indemnify the Buyer or the Replacement Supplier's Broadly Comparable pension scheme (or the relevant Statutory Scheme if applicable) (as the Buyer directs) for any failure to pay the Shortfall under this paragraph.

12. Right of Set-off

12.1 The Buyer shall have a right to set off against any payments due to the Supplier under the relevant Contract an amount equal to:

12.1.1 any unpaid employer's contributions or employee's contributions or any other financial obligations under the CSPA or any CSPA Admission Agreement in respect of the CSPA Eligible Employees whether due from the Supplier or from any relevant Subcontractor or due from any third party under any indemnity, bond or guarantee;

12.1.2 any unpaid employer's contributions or employee's contributions or any other financial obligations under the NHSPS or any Direction Letter/Determination in respect of the NHSPS Eligible Employees whether due from the Supplier or from any relevant Subcontractor or due from any third party under any indemnity, bond or guarantee; or

12.1.3 any unpaid employer's contributions or employee's contributions or any other financial obligations under the LGPS or any LGPS Admission Agreement in respect of the LGPS Eligible Employees whether due from the Supplier or from any relevant Subcontractor or due from any third party under any indemnity, bond or guarantee;

and shall pay such set off amount to the relevant Statutory Scheme.

12.2 The Buyer shall also have a right to set off against any payments due to the Supplier under the relevant Contract all reasonable costs and expenses incurred by the Buyer as result of Paragraphs 12.1 above.

Annex D1: Civil Service Pensions Schemes (CSPS)

1. Definitions

In this Annex D1: CSPS to Part D: Pensions, the following words have the following meanings and they shall supplement Joint Schedule 1 (Definitions):

"CSPS Admission Agreement"	an admission agreement in the form available on the Civil Service Pensions website immediately prior to the Relevant Transfer Date to be entered into for the CSPS in respect of the Services;
"CSPS Eligible Employee"	any CSPS Fair Deal Employee who at the relevant time is an active member or eligible to participate in the CSPS under a CSPS Admission Agreement;
"CSPS Fair Deal Employee"	a Fair Deal Employee who at the Relevant Transfer Date is or becomes entitled to protection in respect of the CSPS in accordance with the provisions of New Fair Deal;
"CSPS"	the Principal Civil Service Pension Scheme available to Civil Servants and employees of bodies under Schedule 1 of the Superannuation Act 1972 (and eligible employees of other bodies admitted to participate under a determination under section 25 of the Public Service Pensions Act 2013), as governed by rules adopted by Parliament; the Partnership Pension Account and its (i) Ill health Benefits Arrangements and (ii) Death Benefits Arrangements; the Civil Service Additional Voluntary Contribution Scheme; and "alpha" introduced under The Public Service (Civil Servants and Others) Pensions Regulations 2014.

2. Access to equivalent pension schemes after transfer

- 2.1 In accordance with New Fair Deal, the Supplier and/or any of its Subcontractors to which the employment of any CSPS Fair Deal Employee compulsorily transfers as a result of either the award of the relevant Contract or a Relevant Transfer, if not an employer which participates automatically in the CSPS, shall each secure a CSPS Admission Agreement to ensure that CSPS Fair Deal Employees or CSPS Eligible Employees as appropriate shall be either admitted into, or offered continued membership of, the relevant section of the CSPS that they currently contribute to, or were eligible to join immediately prior to the Relevant Transfer Date or became eligible to join on the Relevant Transfer Date. The Supplier and/or any of its Subcontractors shall procure that the CSPS Fair Deal Employees continue to accrue benefits in the CSPS in accordance with the provisions governing the relevant section of the CSPS for service from (and including) the Relevant Transfer Date.

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- 2.2 If the Supplier and/or any of its Subcontractors enters into a CSPS Admission Agreement in accordance with paragraph 2.1 but the CSPS Admission Agreement is terminated during the term of the relevant Contract for any reason at a time when the Supplier or Subcontractor still employs any CSPS Eligible Employees, the Supplier shall (and procure that its Subcontractors shall) at no extra cost to the Buyer, offer the remaining CSPS Eligible Employees membership of a pension scheme which is Broadly Comparable to the CSPS on the date those CSPS Eligible Employees ceased to participate in the CSPS in accordance with the provisions of paragraph 11 of Part D.

Annex D2: NHS Pension Schemes

1. Definitions

In this Annex D2: NHSPS to Part D: Pensions, the following words have the following meanings and they shall supplement Joint Schedule 1 (Definitions):

"Direction Letter/Determination"	an NHS Pensions Direction or Determination (as appropriate) issued by the Secretary of State in exercise of the powers conferred by section 7 of the Superannuation (Miscellaneous Provisions) Act 1967 or by section 25 of the Public Service Pensions Act 2013 (as appropriate) and issued to the Supplier or a Subcontractor of the Supplier (as appropriate) relating to the terms of participation of the Supplier or Subcontractor in the NHSPS in respect of the NHSPS Fair Deal Employees;
"NHS Broadly Comparable Employees"	each of the Fair Deal Employees who at a Relevant Transfer Date was a member of, or was entitled to become a member of, or but for their compulsory transfer of employment would have been entitled to be or become a member of, the NHSPS as a result of either: (a) their employment with the Buyer, an NHS Body or other employer which participates automatically in the NHSPS; or (b) their employment with a Former Supplier who provides access to either the NHSPS pursuant to a Direction Letter/Determination or to a Broadly Comparable pension scheme in respect of their employment with that Former Supplier (on the basis that they are entitled to protection under New Fair Deal (or previous guidance), having been formerly in employment with the Buyer, an NHS Body or other employer who participated automatically in the NHSPS in connection with the Services, prior to being employed by the Former Supplier), but who is now ineligible to participate in the NHSPS under the rules of the NHSPS and in respect of whom the Buyer has agreed are to be provided with a Broadly Comparable pension scheme to provide Pension Benefits that are Broadly Comparable to those provided under the

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	NHSPS.
"NHSPS Eligible Employees"	any NHSPS Fair Deal Employee who at the relevant time is an active member or eligible to participate in the NHSPS under a Direction Letter/Determination Letter.
"NHSPS Fair Deal Employees"	other than the NHS Broadly Comparable Employees, each of the Fair Deal Employees who at a Relevant Transfer Date was a member of, or was entitled to become a member of, or but for their compulsory transfer of employment would have been entitled to be or become a member of, the NHSPS as a result of either:
	(a) their employment with the Buyer, an NHS Body or other employer which participates automatically in the NHSPS; or
	(b) their employment with a Former Supplier who provides access to the NHSPS pursuant to a Direction Letter/Determination or to a Broadly Comparable pension scheme in respect of their employment with that Former Supplier (on the basis that they are entitled to protection under New Fair Deal (or previous guidance), having been formerly in employment with the Buyer, an NHS Body or other employer who participated automatically in the NHSPS in connection with the Services, prior to being employed by the Former Supplier),
	and, in each case, being continuously engaged for more than fifty per cent (50%) of their employed time in the delivery of services (the same as or similar to the Services).
	For the avoidance of doubt, an individual who is in or entitled to become a member of the NHSPS as a result of being engaged in the Services and being covered by an "open" Direction Letter/Determination or other NHSPS "access" facility but who has never been employed directly by the Buyer, an NHS Body (or other body which participates automatically in the NHSPS) is not an NHSPS Fair Deal Employee;
"NHS Body"	has the meaning given to it in section 275 of the

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	National Health Service Act 2006 as amended by section 138(2)(c) of Schedule 4 to the Health and Social Care Act 2012;
"NHS Pensions"	NHS Pensions as the administrators of the NHSPS or such other body as may from time to time be responsible for relevant administrative functions of the NHSPS;
"NHSPS"	the National Health Service Pension Scheme for England and Wales, established pursuant to the Superannuation Act 1972 and the Public Service Pensions Act 2013 governed by subsequent regulations under those Acts including the NHS Pension Scheme Regulations;
"NHS Pension Scheme Regulations"	as appropriate, any or all of the National Health Service Pension Scheme Regulations 1995 (SI 1995/300), the National Health Service Pension Scheme Regulations 2008 (SI 2008/653), the National Health Service Pension Scheme Regulations 2015 (2015/94) and any subsequent regulations made in respect of the NHSPS, each as amended from time to time;
"NHS Premature Retirement Rights"	rights to which any NHS Fair Deal Employee (had they remained in the employment of the Buyer, an NHS Body or other employer which participates automatically in the NHSPS) would have been or is entitled under the NHS Pension Scheme Regulations, the NHS Compensation for Premature Retirement Regulations 2002 (SI 2002/1311), the NHS (Injury Benefits) Regulations 1995 (SI 1995/866) and section 45 of the General Whitley Council conditions of service, or any other legislative or contractual provision which replaces, amends, extends or consolidates the same from time to time;
"Pension Benefits"	any benefits payable in respect of an individual (including but not limited to pensions related allowances and lump sums) relating to old age, invalidity or survivor's benefits provided under an occupational pension scheme.

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2. Membership of the NHS Pension Scheme

- 2.1 In accordance with New Fair Deal, the Supplier and/or any of its Subcontractors to which the employment of any NHSPS Fair Deal Employee compulsorily transfers as a result of either the award of this Contract or a Relevant Transfer, if not an NHS Body or other employer which participates automatically in the NHSPS, shall each secure a Direction Letter/Determination to enable the NHSPS Fair Deal Employees to retain either continuous active membership of or eligibility for the NHSPS for so long as they remain employed in connection with the delivery of the Services under the relevant Contract.
- 2.2 Where it is not possible for the Supplier and/or any of its Subcontractors to secure a Direction Letter/Determination on or before the Relevant Transfer Date, the Supplier must secure a Direction Letter/Determination as soon as possible after the Relevant Transfer Date, and in the period between the Relevant Transfer Date and the date the Direction Letter/Determination is secure, the Supplier must ensure that:
 - (a) all employer's and NHSPS Fair Deal Employees' contributions intended to go to the NHSPS are kept in a separate bank account; and
 - (b) The Pension Benefits and Premature Retirement Rights of NHSPS Fair Deal Employees are not adversely affected.
- 2.3 The Supplier must supply to the Buyer a complete copy of each Direction Letter/Determination within 5 Working Days of receipt of the Direction Letter/Determination.
- 2.4 The Supplier must ensure (and procure that each of its Sub-Contracts (if any) ensures) that all of its NHSPS Fair Deal Employees have a contractual right to continuous active membership of or eligibility for the NHSPS for so long as they have a right to membership or eligibility of that scheme under the terms of the Direction Letter/Determination.
- 2.5 The Supplier will (and will procure that its Subcontractors (if any) will) comply with the terms of the Direction Letter/Determination, the NHS Pension Scheme Regulations (including any terms which change as a result of changes in Law) and any relevant policy issued by the Department of Health and Social Care in respect of the NHSPS Fair Deal Employees for so long as it remains bound by the terms of any such Direction Letter/Determination.
- 2.6 Where any employee omitted from the Direction Letter/Determination supplied in accordance with Paragraph 2 of this Annex are subsequently found to be an NHSPS Fair Deal Employee, the Supplier will (and will procure that its Subcontractors (if any) will) treat that person as if they had been an NHSPS Fair Deal Employee from the Relevant Transfer Date so that their Pension Benefits and NHS Premature Retirement Rights are not adversely affected.
- 2.7 The Supplier will (and will procure that its Subcontractors (if any) will) Subcontractor provide any guarantee, bond of indemnity required by NHS Pensions in relation to a Direction Letter/Determination.

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3. Continuation of early retirement rights after transfer

- 3.1 From the Relevant Transfer Date until the Service Transfer Date, the Supplier must provide (and/or must ensure that its Subcontractors (if any) provide) NHS Premature Retirement Rights in respect of the NHSPS Fair Deal Employees that are identical to the benefits they would have received had they remained employees of the Buyer, an NHS Body or other employer which participates automatically in the NHSPS.

4. NHS Broadly Comparable Employees

- 4.1 The Supplier shall (and procure that its Subcontractors shall), with effect from the Relevant Transfer Date, offer the NHSPS Broadly Comparable Employees membership of a pension scheme which is Broadly Comparable to NHSPS on the Relevant Transfer Date in accordance with paragraph 10 of Part D. For the avoidance of doubt, this requirement is separate from any requirement to offer a Broadly Comparable pension scheme in accordance with paragraph 5.2 below.

5. What the buyer can do if the Supplier breaches its pension obligations

- 5.1 The Supplier agrees that the Buyer is entitled to make arrangements with NHS Pensions for the Buyer to be notified if the Supplier (or its Subcontractor) breaches the terms of its Direction Letter/Determination. Notwithstanding the provisions of the foregoing, the Supplier shall notify the Buyer in the event that it (or its Subcontractor) breaches the terms of its Direction Letter/Determination.
- 5.2 If the Supplier (or its Subcontractors, if relevant) ceases to participate in the NHSPS for whatever reason, the Supplier (or any such Subcontractor, as appropriate) shall offer to offer the NHSPS Eligible Employees membership of a pension scheme which is Broadly Comparable to the NHSPS on the date the NHSPS Eligible Employees ceased to participate in the NHSPS in accordance with the provisions of paragraph 11 of Part D. Subcontractor.

6. Compensation when pension scheme access can't be provided

- 6.1 If the Supplier (or its Subcontractor, if relevant) is unable to provide the NHSPS Fair Deal Employees with either membership of:
- 6.1.1 the NHSPS (having used its best endeavours to secure a Direction Letter/Determination); or
 - 6.1.2 a Broadly Comparable pension scheme,
- the Buyer may in its sole discretion permit the Supplier (or any of its Subcontractors) to compensate the NHSPS Fair Deal Employees in a manner that is Broadly Comparable or equivalent in cash terms, the Supplier (or Subcontractor as relevant) having consulted with a view to reaching agreement with any recognised trade union or, in the absence of such body, the NHSPS Fair Deal Employees. The Supplier must meet (or must procure that the relevant Subcontractor meets) the costs of the Buyer determining

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whether the level of compensation offered is reasonable in the circumstances.

- 6.2 This flexibility for the Buyer to allow compensation in place of Pension Benefits is in addition to and not instead of the Buyer's right to terminate the Contract.

7. Indemnities that a Supplier must give

- 7.1 The Supplier must indemnify and keep indemnified the CCS, the Buyer and any Replacement Supplier against all Losses arising out of any claim by any NHSPS Fair Deal Employee or any NHS Broadly Comparable Employees that the provision of (or failure to provide) Pension Benefits and NHS Premature Retirement Rights from the Relevant Transfer Date, or the level of such benefit provided, constitutes a breach of his or her employment rights.

Annex D3: Local Government Pension Schemes (LGPS)

1. Definitions

In this Annex D3: LGPS to Part D: Pensions, the following words have the following meanings and they shall supplement Joint Schedule 1 (Definitions):

"2013 Regulations"	the Local Government Pension Scheme Regulations 2013 (SI 2013/2356) (as amended from time to time);
"Administering Buyer"	in relation to the Fund [insert name] , the relevant Administering Buyer of that Fund for the purposes of the 2013 Regulations;
"Fund Actuary"	the actuary to a Fund appointed by the Administering Buyer of that Fund;
"Fund"	[insert name], a pension fund within the LGPS;
["Initial Contribution Rate"⁶]	[XX %] of pensionable pay (as defined in the 2013 Regulations);]
"LGPS"	the Local Government Pension Scheme as governed by the LGPS Regulations, and any other regulations (in each case as amended from time to time) which are from time to time applicable to the Local Government Pension Scheme;
"LGPS Admission Agreement"	an admission agreement within the meaning in Schedule 1 of the 2013 Regulations;
"LGPS Admission Body"	an admission body (within the meaning of Part 3 of Schedule 2 of the 2013 Regulations);
"LGPS Eligible Employees"	any LGPS Fair Deal Employee who at the relevant time is an active member or eligible to participate in the LGPS under an LGPS Admission Agreement;
"LGPS Fair Deal Employees"	any Fair Deal Employee who at the Relevant Transfer Date is or becomes entitled to protection in respect of the LGPS or a pension scheme that is Broadly Comparable to the LGPS in accordance with the provisions in accordance

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	with the provisions of New Fair Deal and/or the Best Value Direction;
"LGPS Regulations"	the 2013 Regulations and The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (SI 2014/525), and any other regulations (in each case as amended from time to time) which are from time to time applicable to the LGPS.

2. Supplier to become an LGPS Admission Body

- 2.1 In accordance with the principles of New Fair Deal and/or the Best Value Direction, the Supplier and/or any of its Subcontractors to which the employment of any LGPS Fair Deal Employee compulsorily transfers as a result of either the award of the relevant Contract or a Relevant Transfer, if not a scheme employer which participates automatically in the LGPS, shall each become an LGPS Admission Body by entering into an LGPS Admission Agreement on or before the Relevant Transfer Date to enable the LGPS Fair Deal Employees to retain either continuous active membership of or eligibility for the LGPS on and from the Relevant Transfer Date for so long as they remain employed in connection with the delivery of the Services under the relevant Contract.

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- 2.2 [Any LGPS Fair Deal Employees who:

- 2.2.1 were active members of the LGPS (or a Broadly Comparable pension scheme) immediately before the Relevant Transfer Date shall be admitted to the LGPS with effect on and from the Relevant Transfer Date; and
- 2.2.2 were eligible to join the LGPS (or a Broadly Comparable pension scheme) but were not active members of the LGPS (or a Broadly Comparable pension scheme) immediately before the Relevant Transfer Date shall retain the ability to join the LGPS on or after the Relevant Transfer Date if they wish to do so.]

OPTION 2

[Any LGPS Fair Deal Employees whether:

- 2.2.3 active members of the LGPS (or a Broadly Comparable pension scheme) immediately before the Relevant Transfer Date; or
- 2.2.4 eligible to join the LGPS (or a Broadly Comparable pension scheme)

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but not active members of the LGPS (or a Broadly Comparable pension scheme) immediately before the Relevant Transfer Date

shall be admitted to the LGPS with effect on and from the Relevant Transfer Date. The Supplier shall not automatically enrol or re-enrol for the purposes of the Pensions Act 2008 any LGPS Fair Deal Employees in any pension scheme other than the LGPS unless they cease to be eligible for membership of the LGPS.]

- 2.3 The Supplier will (and will procure that its Subcontractors (if any) will) provide at its own cost any indemnity, bond or guarantee required by an Administering Buyer in relation to an LGPS Admission Agreement.

3. Broadly Comparable Scheme

- 3.1 If the Supplier and/or any of its Subcontractors is unable to obtain an LGPS Admission Agreement in accordance with paragraph 2.1 because the Administering Buyer will not allow it to participate in the Fund, the Supplier shall (and procure that its Subcontractors shall), with effect from the Relevant Transfer Date, offer the LGPS Fair Deal Employees membership of a pension scheme which is Broadly Comparable to LGPS on the Relevant Transfer Date in accordance with the provisions of paragraph 10 of Part D.
- 3.2 If the Supplier and/or any of its Subcontractors becomes an LGPS Admission Body in accordance with paragraph 2.1 but the LGPS Admission Agreement is terminated during the term of the relevant Contract for any reason at a time when the Supplier or Subcontractors still employs any LGPS Eligible Employees, the Supplier shall (and procure that its Subcontractors shall) at no extra cost to the Buyer, offer the remaining LGPS Eligible Employees membership of a pension scheme which is Broadly Comparable to the LGPS on the date the LGPS Eligible Employees ceased to participate in the LGPS in accordance with the provisions of paragraph 11 of Part D.

4. Discretionary Benefits

Where the Supplier and/or any of its Subcontractors is an LGPS Admission Body, the Supplier shall (and procure that its Subcontractors shall) comply with its obligations under regulation 60 of the 2013 Regulations in relation to the preparation of a discretionary policy statement.

5. LGPS RISK SHARING^a

- 5.1 Subject to paragraphs 5.4 to 5.10, if at any time during the term of the relevant Contract the Administering Buyer, pursuant to the LGPS Admission Agreement or the LGPS Regulations, requires the Supplier or any Subcontractor to pay employer contributions or other payments to the Fund in aggregate in excess of the Initial Contribution Rate, the excess of employer contributions above the Initial Contribution Rate for a Contract Year (the "Excess Amount") shall be paid

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by the Supplier or the Subcontractor, as the case may be, and the Supplier shall be reimbursed by the Buyer.

- 5.2 Subject to paragraphs 5.4 to 5.9 and 5.11, if at any time during the term of the relevant Contract, the Administering Buyer, pursuant to the LGPS Admission Agreement or the LGPS Regulations, requires the Supplier or any Subcontractor to pay employer contributions or payments to the Fund in aggregate below the Initial Contribution Rate for a Contract Year, the Supplier shall reimburse the Buyer an amount equal to A–B (the “Refund Amount”) where:

A = the amount which would have been paid if contributions and payments had been paid equal to the Initial Contribution Rate for that Contract Year; and

B = the amount of contributions or payments actually paid by the Supplier or Subcontractor for that Contract Year, as the case may be, to the Fund.

- 5.3 Subject to paragraphs 5.4 to 5.10, where the Administering Buyer obtains an actuarial valuation and a revised rates and adjustment certificate under the LGPS Regulations and/or the terms of the LGPS Admission Agreement when the LGPS Admission Agreement ceases to have effect and the Supplier or any Subcontractor is required to pay any exit payment under Regulation 64(2) of the 2013 Regulations (the “Exit Payment”), such Exit Payment shall be paid by the Supplier or any Subcontractor (as the case may be) and the Supplier shall be reimbursed by the Buyer.

- 5.4 The Supplier and any Subcontractors shall at all times be responsible for the following costs:

5.4.1 any employer contributions relating to the costs of early retirement benefits arising on redundancy or as a result of business efficiency under Regulation 30(7) of the 2013 Regulations or otherwise;

5.4.2 any payment of Fund benefits to active members on the grounds of ill health or infirmity of mind or body under Regulation 35 of the 2013 Regulations or otherwise;

5.4.3 any payment of Fund benefits to deferred or deferred pensioner members on the grounds of ill health or infirmity of mind or body under Regulation 38 of the 2013 Regulations or otherwise;

5.4.4 any employer contributions relating to the costs of early or flexible retirement where the actuarial reduction is waived in whole or in part or a cost neutral reduction is not applied with the consent of the Supplier or any relevant Subcontractor including without limitation any decision made under Regulation 30(8) of the 2013 Regulations or Schedule 2 of The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014;

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- 5.4.5 any employer contributions relating to the costs of enhanced benefits made at the discretion of the Supplier or any relevant Subcontractors including without limitation additional pension awarded under Regulation 31 of the 2013 Regulations or otherwise;
 - 5.4.6 any increase to the employer contribution rate resulting from the award of pay increases by the Supplier or relevant Subcontractors in respect of all or any of the LGPS Eligible Employees in excess of the pay increases assumed in the Fund's most recent actuarial valuation (unless the Supplier and/or any Subcontractor is contractually bound to provide such increases on the Relevant Transfer Date);
 - 5.4.7 to the extent not covered above, any other costs arising out of or in connection with the exercise of any discretion or the grant of any consent under the LGPS Regulations by the Supplier or any relevant Subcontractors where a member does not have an absolute entitlement to that benefit under the LGPS;
 - 5.4.8 any cost of the administration of the Fund that are not met through the Supplier's or Subcontractor's employer contribution rate, including without limitation an amount specified in a notice given by the Administering Buyer under Regulation 70 of the 2013 Regulations;
 - 5.4.9 the costs of any reports and advice requested by or arising from an instruction given by the Supplier or a Subcontractor from the Fund Actuary; and/or
 - 5.4.10 any interest payable under the 2013 Regulations or LGPS Administration Agreement.
- 5.5 For the purposes of calculating any Exit Payment, Excess Amount or Refund Amount, any part of such an amount which is attributable to any costs which the Supplier or Subcontractors are responsible for in accordance with paragraph 5.4 above shall be disregarded and excluded from the calculation. In the event of any dispute as to the level of any cost that should be excluded from the calculation, the opinion of the Fund Actuary shall be final and binding.
- 5.6 Where the Administering Buyer obtains an actuarial valuation and a revised rates and adjustment certificate under the LGPS Regulations and/or the terms of the LGPS Admission Agreement when the LGPS Admission Agreement ceases to have effect and the Supplier or any Subcontractor receives payment of an exit credit payment under Regulation 64(2) of the 2013 Regulations (the "**Exit Credit**"), the Supplier shall (or procure that any Subcontractor shall) reimburse the Buyer an amount equal to the Exit Credit within twenty (20) Working Days of receipt of the Exit Credit.
- 5.7 The Supplier shall (or procure that the Subcontractor shall) notify the Buyer in writing within twenty (20) Working Days:
- 5.7.1 of the end of each Contract Year of any Excess Amount or Refund Amount due in respect of the Contract Year that has just

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- ended and provide a reasonable summary of how the Excess Amount or Refund Amount was calculated; and
- 5.7.2 of being informed by the Administering Buyer of any Exit Payment or Exit Credit that is determined by as being due from or to the Supplier or a Subcontractor and provide a copy of any revised rates and adjustments certificate detailing the Exit Payment or Exit Credit and its calculation.
- 5.8 Within twenty (20) Working Days of receiving the notification under paragraph 5.7 above, the Buyer shall either:
- 5.8.1 notify the Supplier in writing of its acceptance of the Excess Amount, Refund Amount or Exit Payment;
- 5.8.2 request further information or evidence about the Excess Amount, Refund Amount or Exit Payment from the Supplier; and/or
- 5.8.3 request a meeting with the Supplier to discuss or clarify the information or evidence provided.
- 5.9 Where the Excess Amount, Refund Amount or Exit Payment is agreed following the receipt of further information or evidence or following a meeting in accordance with paragraph 5.8 above, the Buyer shall notify the Supplier in writing. In the event that the Supplier and the Buyer are unable to agree the amount of the Excess Amount, Refund Amount or Exit Payment then they shall follow the Dispute Resolution Procedure.
- 5.10 Any Excess Amount or Exit Payment agreed by the Buyer or in accordance with the Dispute Resolution Procedure shall be paid by the Buyer within timescales as agreed between Buyer and Supplier. The amount to be paid by the Buyer shall be an amount equal to the Excess Amount or Exit Payment less an amount equal to any corporation tax relief which has been claimed in respect of the Excess Amount or Exit Payment by the Supplier or a Subcontractor.
- 5.11 Any Refund Amount agreed by the Buyer or in accordance with the Dispute Resolution Procedure as payable by the Supplier or any Subcontractor to the Buyer, shall be paid by the Supplier or any Subcontractor forthwith as the liability has been agreed. In the event the Supplier or any Subcontractor fails to pay any agreed Refund Amount, the Buyer shall demand in writing the immediate payment of the agreed Refund Amount by the Supplier and the Supplier shall make payment within seven (7) Working Days of such demand.
- 5.12 This paragraph 5 shall survive termination of the relevant Contract.

Annex D4: Other Schemes

Part E: Staff Transfer on Exit

1. Obligations before a Staff Transfer

- 1.1 The Supplier agrees that within 20 Working Days of the earliest of:
- 1.1.1 receipt of a notification from the Buyer of a Service Transfer or intended Service Transfer;
 - 1.1.2 receipt of the giving of notice of early termination or any Partial Termination of the relevant Contract;
 - 1.1.3 the date which is 12 Months before the end of the Term; and
 - 1.1.4 receipt of a written request of the Buyer at any time (provided that the Buyer shall only be entitled to make one such request in any 6 Month period),
- it shall provide in a suitably anonymised format so as to comply with the Data Protection Legislation, the Supplier's Provisional Supplier Personnel List, together with the Staffing Information in relation to the Supplier's Provisional Supplier Personnel List and it shall provide an updated Supplier's Provisional Supplier Personnel List at such intervals as are reasonably requested by the Buyer.
- 1.2 At least 20 Working Days prior to the Service Transfer Date, the Supplier shall provide to the Buyer or at the direction of the Buyer to any Replacement Supplier and/or any Replacement Subcontractor (i) the Supplier's Final Supplier Personnel List, which shall identify the basis upon which they are Transferring Supplier Employees and (ii) the Staffing Information in relation to the Supplier's Final Supplier Personnel List (insofar as such information has not previously been provided).
- 1.3 The Buyer shall be permitted to use and disclose information provided by the Supplier under Paragraphs 1.1 and 1.2 for the purpose of informing any prospective Replacement Supplier and/or Replacement Subcontractor.
- 1.4 The Supplier warrants, for the benefit of The Buyer, any Replacement Supplier, and any Replacement Subcontractor that all information provided pursuant to Paragraphs 1.1 and 1.2 shall be true and accurate in all material respects at the time of providing the information.
- 1.5 From the date of the earliest event referred to in Paragraph 1.1.1, 1.1.2 and 1.1.3, the Supplier agrees that it shall not, and agrees to procure that each Subcontractor shall not, assign any person to the provision of the Services who is not listed on the Supplier's Provisional Supplier Personnel List and shall not without the approval of the Buyer (not to be unreasonably withheld or delayed):
- :
- 1.5.1 replace or re-deploy any Supplier Staff listed on the Supplier Provisional Supplier Personnel List other than where any replacement is of equivalent grade, skills, experience and expertise and is employed on the same terms and conditions of employment as the person he/she replaces

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- 1.5.2 make, promise, propose, permit or implement any material changes to the terms and conditions of employment of the Supplier Staff (including pensions and any payments connected with the termination of employment);
- 1.5.3 increase the proportion of working time spent on the Services (or the relevant part of the Services) by any of the Supplier Staff save for fulfilling assignments and projects previously scheduled and agreed;
- 1.5.4 introduce any new contractual or customary practice concerning the making of any lump sum payment on the termination of employment of any employees listed on the Supplier's Provisional Supplier Personnel List;
- 1.5.5 increase or reduce the total number of employees so engaged, or deploy any other person to perform the Services (or the relevant part of the Services);
- 1.5.6 terminate or give notice to terminate the employment or contracts of any persons on the Supplier's Provisional Supplier Personnel List save by due disciplinary process;

and shall promptly notify, and procure that each Subcontractor shall promptly notify, the Buyer or, at the direction of the Buyer, any Replacement Supplier and any Replacement Subcontractor of any notice to terminate employment given by the Supplier or relevant Subcontractor or received from any persons listed on the Supplier's Provisional Supplier Personnel List regardless of when such notice takes effect.

- 1.6 On or around each anniversary of the Start Date and up to four times during the last 12 Months of the Term, the Buyer may make written requests to the Supplier for information relating to the manner in which the Services are organised. Within 20 Working Days of receipt of a written request the Supplier shall provide, and shall procure that each Subcontractor shall provide, to the Buyer Such information as the Buyer may reasonably require relating to the manner in which the Services are organised, which shall include:

- 1.6.1 the numbers of employees engaged in providing the Services;
- 1.6.2 the percentage of time spent by each employee engaged in providing the Services;
- 1.6.3 the extent to which each employee qualifies for membership of any of the Statutory Schemes or any Broadly Comparable scheme set up pursuant to the provisions of any of the Annexes to Part D (Pensions) (as appropriate); and
- 1.6.4 a description of the nature of the work undertaken by each employee by location.

- 1.7 The Supplier shall provide, and shall procure that each Subcontractor shall provide, all reasonable cooperation and assistance to the Buyer, any Replacement Supplier and/or any Replacement Subcontractor to ensure the smooth transfer of the Transferring Supplier Employees on the Service Transfer

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Date including providing sufficient information in advance of the Service Transfer Date to ensure that all necessary payroll arrangements can be made to enable the Transferring Supplier Employees to be paid as appropriate. Without prejudice to the generality of the foregoing, within 5 Working Days following the Service Transfer Date, the Supplier shall provide, and shall procure that each Subcontractor shall provide, to the Buyer or, at the direction of the Buyer, to any Replacement Supplier and/or any Replacement Subcontractor (as appropriate), in respect of each person on the Supplier's Final Supplier Personnel List who is a Transferring Supplier Employee:

- 1.7.1 the most recent month's copy pay slip data;
- 1.7.2 details of cumulative pay for tax and pension purposes;
- 1.7.3 details of cumulative tax paid;
- 1.7.4 tax code;
- 1.7.5 details of any voluntary deductions from pay; and
- 1.7.6 bank/building society account details for payroll purposes.

2. Staff Transfer when the contract ends

- 2.1 The Buyer and the Supplier acknowledge that subsequent to the commencement of the provision of the Services, the identity of the provider of the Services (or any part of the Services) may change (whether as a result of termination or Partial Termination of the relevant Contract or otherwise) resulting in the Services being undertaken by a Replacement Supplier and/or a Replacement Subcontractor. Such change in the identity of the supplier of such services may constitute a Relevant Transfer to which the Employment Regulations and/or the Acquired Rights Directive will apply. The Buyer and the Supplier agree that, as a result of the operation of the Employment Regulations, where a Relevant Transfer occurs, the contracts of employment between the Supplier and the Transferring Supplier Employees (except in relation to any contract terms disapplied through operation of regulation 10(2) of the Employment Regulations) will have effect on and from the Service Transfer Date as if originally made between the Replacement Supplier and/or a Replacement Subcontractor (as the case may be) and each such Transferring Supplier Employee.
- 2.2 The Supplier shall, and shall procure that each Subcontractor shall, comply with all its obligations in respect of the Transferring Supplier Employees arising under the Employment Regulations in respect of the period up to (and including) the Service Transfer Date and shall perform and discharge, and procure that each Subcontractor shall perform and discharge, all its obligations in respect of all the Transferring Supplier Employees arising in respect of the period up to (and including) the Service Transfer Date (including (without limit) the payment of all remuneration, benefits, entitlements, and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions and all such sums due as a result of any Fair Deal Employees' participation in the Schemes which in any case are attributable in whole or in part to the period ending on (and including)

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the Service Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between: (i) the Supplier and/or the Subcontractor (as appropriate); and (ii) the Replacement Supplier and/or Replacement Subcontractor.

2.3 Subject to Paragraph 2.4, the Supplier shall indemnify the Buyer and/or the Replacement Supplier and/or any Replacement Subcontractor against any Employee Liabilities arising from or as a result of:

- 2.3.1 any act or omission of the Supplier or any Subcontractor in respect of any Transferring Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Supplier Employee whether occurring before, on or after the Service Transfer Date;
- 2.3.2 the breach or non-observance by the Supplier or any Subcontractor occurring on or before the Service Transfer Date of:
 - (a) any collective agreement applicable to the Transferring Supplier Employees; and/or
 - (b) any other custom or practice with a trade union or staff association in respect of any Transferring Supplier Employees which the Supplier or any Subcontractor is contractually bound to honour;
- 2.3.3 any claim by any trade union or other body or person representing any Transferring Supplier Employees arising from or connected with any failure by the Supplier or a Subcontractor to comply with any legal obligation to such trade union, body or person arising on or before the Service Transfer Date;
- 2.3.4 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
 - (a) in relation to any Transferring Supplier Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on and before the Service Transfer Date; and
 - (b) in relation to any employee who is not identified in the Supplier's Final Supplier Personnel List, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Supplier to the Buyer and/or Replacement Supplier and/or any Replacement Subcontractor, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or before the Service Transfer Date;

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- 2.3.5 a failure of the Supplier or any Subcontractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Supplier Employees in respect of the period up to (and including) the Service Transfer Date);
 - 2.3.6 any claim made by or in respect of any person employed or formerly employed by the Supplier or any Subcontractor other than a Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List for whom it is alleged the Buyer and/or the Replacement Supplier and/or any Replacement Subcontractor may be liable by virtue of the relevant Contract and/or the Employment Regulations and/or the Acquired Rights Directive; and
 - 2.3.7 any claim made by or in respect of a Transferring Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Supplier Employee relating to any act or omission of the Supplier or any Subcontractor in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the Buyer and/or Replacement Supplier to comply with regulation 13(4) of the Employment Regulations.
- 2.4 The indemnities in Paragraph 2.3 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Replacement Supplier and/or any Replacement Subcontractor whether occurring or having its origin before, on or after the Service Transfer Date including any Employee Liabilities:
 - 2.4.1 arising out of the resignation of any Transferring Supplier Employee before the Service Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Replacement Supplier and/or any Replacement Subcontractor to occur in the period on or after the Service Transfer Date); or
 - 2.4.2 arising from the Replacement Supplier's failure, and/or Replacement Subcontractor's failure, to comply with its obligations under the Employment Regulations.
- 2.5 If any person who is not identified in the Supplier's Final Supplier Employee List claims, or it is determined in relation to any employees of the Supplier, that his/her contract of employment has been transferred from the Supplier to the Replacement Supplier and/or Replacement Subcontractor pursuant to the Employment Regulations or the Acquired Rights Directive, then:
 - 2.5.1 the Buyer shall procure that the Replacement Supplier and/or Replacement Subcontractor will, within 5 Working Days of

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becoming aware of that fact, notify the Buyer and the Supplier in writing; and

- 2.5.2 the Supplier may offer (or may procure that a Subcontractor may offer) employment to such person or take such other reasonable steps as it considered appropriate to deal the matter provided always that such steps are in compliance with Law, within 15 Working Days of receipt of notice from the Replacement Supplier and/or Replacement Subcontractor.

- 2.6 If such offer of is accepted, or if the situation has otherwise been resolved by the Supplier or a Subcontractor, Buyer shall procure that the Replacement Supplier shall, or procure that and/or Replacement Subcontractor shall, immediately release or procure the release the person from his/her employment or alleged employment;

- 2.7 If after the 15 Working Day period specified in Paragraph 2.5.2 has elapsed:

- 2.7.1 no such offer has been made:
2.7.2 such offer has been made but not accepted; or
2.7.3 the situation has not otherwise been resolved

the Buyer shall advise the Replacement Supplier and/or Replacement Subcontractor (as appropriate) that it may within 5 Working Days give notice to terminate the employment or alleged employment of such person;

- 2.8 Subject to the Replacement Supplier's and/or Replacement Subcontractor acting in accordance with the provisions of Paragraphs 2.5 to 2.7 and in accordance with all applicable proper employment procedures set out in applicable Law and subject to Paragraph 2.9 below, the Supplier will indemnify the Replacement Supplier and/or Replacement Subcontractor against all Employee Liabilities arising out of the termination of the employment of any of the Supplier's employees pursuant to the provisions of Paragraph 2.7 provided that the Replacement Supplier takes, or shall procure that the Replacement Subcontractor takes, all reasonable steps to minimise any such Employee Liabilities.

- 2.9 The indemnity in Paragraph 2.8:

- 2.9.1 shall not apply to:

- (a) any claim for:

- (i) discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or
(ii) equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,

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In any case in relation to any alleged act or omission of the Replacement Supplier and/or Replacement Subcontractor, or

- (b) any claim that the termination of employment was unfair because the Replacement Supplier and/or Replacement Subcontractor neglected to follow a fair dismissal procedure; and

2.9.2 shall apply only where the notification referred to in Paragraph 2.5.1 is made by the Replacement Supplier and/or Replacement Subcontractor to the Supplier within 6 months of the Service Transfer Date.

2.10 If any such person as is described in Paragraph 2.5 is neither re-employed by the Supplier or any Subcontractor nor dismissed by the Replacement Supplier and/or Replacement Subcontractor within the time scales set out in Paragraphs 2.5 to 2.7, such person shall be treated as a Transferring Supplier Employee.

2.11 The Supplier shall comply, and shall procure that each Subcontractor shall comply, with all its obligations under the Employment Regulations and shall perform and discharge, and shall procure that each Subcontractor shall perform and discharge, all its obligations in respect of any person identified in the Supplier's Final Supplier Personnel List before and on the Service Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions and such sums due as a result of any Fair Deal Employees' participation in the Schemes and any requirement to set up a broadly comparable pension scheme which in any case are attributable in whole or in part in respect of the period up to (and including) the Service Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between:

- (b) the Supplier and/or any Subcontractor; and
- (c) the Replacement Supplier and/or the Replacement Subcontractor.

2.12 The Supplier shall, and shall procure that each Subcontractor shall, promptly provide the Buyer and any Replacement Supplier and/or Replacement Subcontractor, in writing such information as is necessary to enable the Buyer, the Replacement Supplier and/or Replacement Subcontractor to carry out their respective duties under regulation 13 of the Employment Regulations. The Buyer shall procure that the Replacement Supplier and/or Replacement Subcontractor, shall promptly provide to the Supplier and each Subcontractor in writing such information as is necessary to enable the Supplier and each Subcontractor to carry out their respective duties under regulation 13 of the Employment Regulations.

2.13 Subject to Paragraph 2.14, the Buyer shall procure that the Replacement Supplier indemnifies the Supplier on its own behalf and on behalf of any

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Replacement Subcontractor and its Subcontractors against any Employee Liabilities arising from or as a result of:

- 2.13.1 any act or omission of the Replacement Supplier and/or Replacement Subcontractor in respect of any Transferring Supplier Employee in the Supplier's Final Supplier Personnel List or any appropriate employee representative (as defined in the Employment Regulations) of any such Transferring Supplier Employee;
- 2.13.2 the breach or non-observance by the Replacement Supplier and/or Replacement Subcontractor on or after the Service Transfer Date of:
 - (a) any collective agreement applicable to the Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List; and/or
 - (b) any custom or practice in respect of any Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List which the Replacement Supplier and/or Replacement Subcontractor is contractually bound to honour;
- 2.13.3 any claim by any trade union or other body or person representing any Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List arising from or connected with any failure by the Replacement Supplier and/or Replacement Subcontractor to comply with any legal obligation to such trade union, body or person arising on or after the Service Transfer Date;
- 2.13.4 any proposal by the Replacement Supplier and/or Replacement Subcontractor to change the terms and conditions of employment or working conditions of any Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List on or after their transfer to the Replacement Supplier or Replacement Subcontractor (as the case may be) on the Service Transfer Date, or to change the terms and conditions of employment or working conditions of any person identified in the Supplier's Final Supplier Personnel List who would have been a Transferring Supplier Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Service Transfer Date as a result of or for a reason connected to such proposed changes;
- 2.13.5 any statement communicated to or action undertaken by the Replacement Supplier or Replacement Subcontractor to, or in respect of, any Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List on or before the Service Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Supplier in writing;

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- 2.13.6 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
- (a) in relation to any Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising after the Service Transfer Date; and
 - (b) in relation to any employee who is not a Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Supplier or Subcontractor, to the Replacement Supplier or Replacement Subcontractor to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising after the Service Transfer Date;
- 2.13.7 a failure of the Replacement Supplier or Replacement Subcontractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List in respect of the period from (and including) the Service Transfer Date; and
- 2.13.8 any claim made by or in respect of a Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List or any appropriate employee representative (as defined in the Employment Regulations) of any such Transferring Supplier Employee relating to any act or omission of the Replacement Supplier or Replacement Subcontractor in relation to obligations under regulation 13 of the Employment Regulations.
- 2.14 The indemnities in Paragraph 2.13 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Supplier and/or any Subcontractor (as applicable) whether occurring or having its origin before, on or after the Service Transfer Date, including any Employee Liabilities arising from the failure by the Supplier and/or any Subcontractor (as applicable) to comply with its obligations under the Employment Regulations.

Call-Off Schedule 3 (Continuous Improvement)

Call-Off Ref:

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Call-Off Schedule 3 (Continuous Improvement)

1. Buyer's Rights

- 1.1 The Buyer and the Supplier recognise that, where specified in Framework Schedule 4 (Framework Management), the Buyer may give CCS the right to enforce the Buyer's rights under this Schedule.
- 1.2 The Buyer and the Supplier acknowledge that nothing in this Schedule requires the Supplier to implement improvements where to do so would result in any breach or non-compliance with any Laws.

2. Supplier's Obligations

- 2.1 The Supplier must, throughout the Contract Period, identify new or potential improvements to the provision of the Deliverables with a view to reducing the Buyer's costs (including the Charges) and/or improving the quality and efficiency of the Deliverables and their supply to the Buyer.
- 2.2 The Supplier must adopt a policy of continuous improvement in relation to the Deliverables, which must include regular reviews with the Buyer of the Deliverables and the way it provides them, with a view to reducing the Buyer's costs (including the Charges) and/or improving the quality and efficiency of the Deliverables. The Supplier and the Buyer must provide each other with any information relevant to meeting this objective.
- 2.3 In addition to Paragraph 2.1, the Supplier shall produce at the start of each Contract Year a plan for improving the provision of Deliverables and/or reducing the Charges (without adversely affecting the performance of this Contract) during that Contract Year ("**Continuous Improvement Plan**") for the Buyer's Approval. The Continuous Improvement Plan must include, as a minimum, proposals:
 - 2.3.1 identifying the emergence of relevant new and evolving technologies;
 - 2.3.2 changes in business processes of the Supplier or the Buyer and ways of working that would provide cost savings and/or enhanced benefits to the Buyer (such as methods of interaction, supply chain efficiencies, reduction in energy consumption and methods of sale);
 - 2.3.3 new or potential improvements to the provision of the Deliverables including the quality, responsiveness, procedures, benchmarking methods, likely performance mechanisms and customer support services in relation to the Deliverables; and
 - 2.3.4 measuring and reducing the sustainability impacts of the Supplier's operations and supply-chains relating to the Deliverables and identifying opportunities to assist the Buyer in

Call-Off Schedule 3 (Continuous Improvement)

Call-Off Ref:

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meeting their sustainability objectives.

- 2.4 The initial Continuous Improvement Plan for the first (1st) Contract Year shall be submitted by the Supplier to the Buyer for Approval within one hundred (100) Working Days of the first Order or six (6) Months following the Start Date, whichever is earlier.
- 2.5 The Buyer shall notify the Supplier of its Approval or rejection of the proposed Continuous Improvement Plan or any updates to it within twenty (20) Working Days of receipt. If it is rejected then the Supplier shall, within ten (10) Working Days of receipt of notice of rejection, submit a revised Continuous Improvement Plan reflecting the changes required. Once Approved, it becomes the Continuous Improvement Plan for the purposes of this Contract.
- 2.6 The Supplier must provide sufficient information with each suggested improvement to enable a decision on whether to implement it. The Supplier shall provide any further information as requested.
- 2.7 If the Buyer wishes to incorporate any improvement into this Contract, it must request a Variation in accordance with the Variation Procedure and the Supplier must implement such Variation at no additional cost to the Buyer or CCS.
- 2.8 Once the first Continuous Improvement Plan has been Approved in accordance with Paragraph 2.5:
- 2.8.1 the Supplier shall use all reasonable endeavours to implement any agreed deliverables in accordance with the Continuous Improvement Plan; and
 - 2.8.2 the Parties agree to meet as soon as reasonably possible following the start of each quarter (or as otherwise agreed between the Parties) to review the Supplier's progress against the Continuous Improvement Plan.
- 2.9 The Supplier shall update the Continuous Improvement Plan as and when required but at least once every Contract Year (after the first (1st) Contract Year) in accordance with the procedure and timescales set out in Paragraph 2.3.
- 2.10 All costs relating to the compilation or updating of the Continuous Improvement Plan and the costs arising from any improvement made pursuant to it and the costs of implementing any improvement shall have no effect on and are included in the Charges.
- 2.11 Should the Supplier's costs in providing the Deliverables to the Buyer be reduced as a result of any changes implemented, all of the cost savings shall be passed on to the Buyer by way of a consequential and immediate reduction in the Charges for the Deliverables.
- 2.12 At any time during the Contract Period of the Call-Off Contract, the Supplier may make a proposal for gainshare. If the Buyer deems gainshare to be applicable then the Supplier shall update the Continuous Improvement Plan so as to include details of the way in which the proposal shall be implemented in accordance with an agreed gainshare ratio.

Call-Off Schedule 5 (Pricing Details)

Call-Off Ref:

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Call-Off Schedule 5 (Pricing Details)

Primary Supplier

PART ONE – TIME AND MATERIALS

Grade	Daily Rate (£ ex VAT)	% reduction from Framework Rates
Auditor	Redacted Under FOIA Section 43, Commercial Interest	Redacted Under FOIA Section 43, Commercial Interest
Senior Auditor	Redacted Under FOIA Section 43, Commercial Interest	Redacted Under FOIA Section 43, Commercial Interest
Audit Manager	Redacted Under FOIA Section 43, Commercial Interest	Redacted Under FOIA Section 43, Commercial Interest
Director / Senior Audit Manager	Redacted Under FOIA Section 43, Commercial Interest	Redacted Under FOIA Section 43, Commercial Interest
Partner	Redacted Under FOIA Section 43, Commercial Interest	Redacted Under FOIA Section 43, Commercial Interest

PART TWO – MOBILISATION COST

	Primary	
Onboarding /Setup Cost	Fixed Price (£ ex VAT)	Description/additional information
Breakdown of actual onboarding/setup costs	Primary	

Framework Ref: RM6188

Model Version: v3.1

Call-Off Schedule 5 (Call-Off Pricing)

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Total Actual onboarding/setup costs	Redacted Under FOIA Section 43, Commercial Interest	

	Primary	
Methodology	Price (£ ex VAT)	Description/additional information
Billing Controls	Redacted Under FOIA Section 43, Commercial Interest	Redacted Under FOIA Section 43, Commercial Interest
Data Validation Checks (Review/Refresh)	Redacted Under FOIA Section 43, Commercial Interest	Redacted Under FOIA Section 43, Commercial Interest
Discount Application Checks (Review/Refresh)	Redacted Under FOIA Section 43, Commercial Interest	Redacted Under FOIA Section 43, Commercial Interest
ETII Checks (For development)	Redacted Under FOIA Section 43, Commercial Interest	Redacted Under FOIA Section 43, Commercial Interest
Non Standard Case Checks (For development)	Redacted Under FOIA Section 43, Commercial Interest	Redacted Under FOIA Section 43, Commercial Interest
ND_AFP Payment Checks (For development)	Redacted Under FOIA Section 43, Commercial Interest	Redacted Under FOIA Section 43, Commercial Interest
Total B	Redacted Under FOIA Section 43, Commercial Interest	

PART THREE – OPERATIONAL COST

Ref: RM3830

FM Project Version: 1.A

Call-Off Schedule 5 (Call-Off Pricing)

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	Delivery	Unit	Bidder fixed price per supplier per round (£ ex VAT)
3.1	Billing controls	per energy supplier	Redacted Under FOIA Section 43, Commercial Interest
3.2	Data Validation Discount Application Checks	per energy supplier per round	Redacted Under FOIA Section 43, Commercial Interest
3.3	Discount Application Checks	per energy supplier per round	Redacted Under FOIA Section 43, Commercial Interest
3.4	ND AFP - Flat Payment	per energy supplier	Redacted Under FOIA Section 43, Commercial Interest
3.5	ND AFP - Top-up	per applicant	Redacted Under FOIA Section 43, Commercial Interest
3.6	1st Round Follow-up	per energy supplier	Redacted Under FOIA Section 43, Commercial Interest
3.7	Final Compliance Report		Redacted Under FOIA Section 43, Commercial Interest

TOTAL CONTRACT COST – PRIMARY PROVIDER

Ref: RM3830

FM Project Version: 1.A

Call-Off Schedule 5 (Call-Off Pricing)

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TOTAL CONTRACT COST	
Mobilisation	Redacted Under FOIA Section 43, Commercial Interest
Operational	Redacted Under FOIA Section 43, Commercial Interest
T&M	Redacted Under FOIA Section 43, Commercial Interest
<u>Total</u>	<u>£2,780,321.98</u>

** The split between Operational and T&M is based on the tender submission values. However final allocation will be at the discretion of the Department. The actual allocation of participating energy suppliers will be based on the information provided in the ITT documentation. The operational cost amount shown is based on an estimate and is subject to the actual number of energy suppliers, rounds and applicants. The T&M value is an indicative figure and that any work under T&M will be under work order process with no guaranteed minimum.*

Ref: RM3830

FM Project Version: 1.A

Call-Off Schedule 7 (Key Supplier Staff)

- 1.1 The Order Form lists the key roles ("**Key Roles**") and names of the persons who the Supplier shall appoint to fill those Key Roles at the Start Date.
- 1.2 The Supplier shall ensure that the Key Staff fulfil the Key Roles at all times during the Contract Period.
- 1.3 The Buyer may identify any further roles as being Key Roles and, following agreement to the same by the Supplier, the relevant person selected to fill those Key Roles shall be included on the list of Key Staff.
- 1.4 The Supplier shall not and shall procure that any Subcontractor shall not remove or replace any Key Staff unless:
 - 1.4.1 requested to do so by the Buyer or the Buyer Approves such removal or replacement (not to be unreasonably withheld or delayed);
 - 1.4.2 the person concerned resigns, retires or dies or is on maternity or paternity, shared parental or adoption or long term or long-term sick leave; or
 - 1.4.3 the person's employment or contractual arrangement with the Supplier or Subcontractor is terminated for material breach of contract by the employee.
- 1.5 The Supplier shall:
 - 1.5.1 notify the Buyer promptly of the absence of any Key Staff (other than for short-term sickness or holidays of two (2) weeks or less, in which case the Supplier shall ensure appropriate temporary cover for that Key Role);
 - 1.5.2 ensure that any Key Role is not vacant for any longer than ten (10) Working Days;
 - 1.5.3 give as much notice as is reasonably practicable of its intention to remove or replace any member of Key Staff and, except in the cases of death, unexpected ill health or a material breach of the Key Staff's employment contract, this will mean at least three (3) Months' notice;
 - 1.5.4 ensure that all arrangements for planned changes in Key Staff provide adequate periods during which incoming and outgoing staff work together to transfer responsibilities and ensure that such change does not have an adverse impact on the provision of the Deliverables; and

- 1.5.5 ensure that any replacement for a Key Role has a level of qualifications and experience appropriate to the relevant Key Role and is fully competent to carry out the tasks assigned to the Key Staff whom he or she has replaced.
- 1.6 The Buyer may require the Supplier to remove or procure that any Subcontractor shall remove any Key Staff that the Buyer considers unsatisfactory in any respect. The Buyer shall not be liable for the cost of replacing any Key Staff.

Call-Off Schedule 8 (Business Continuity and Disaster Recovery)

1. Definitions

- 1.1 In this Schedule, the following words shall have the following meanings and they shall supplement Joint Schedule 1 (Definitions):

"BCDR Plan"	has the meaning given to it in Paragraph 2.2 of this Schedule;
"Business Continuity Plan"	has the meaning given to it in Paragraph 2.3.2 of this Schedule;
"Disaster"	the occurrence of one or more events which, either separately or cumulatively, mean that the Deliverables, or a material part thereof will be unavailable (or could reasonably be anticipated to be unavailable);
"Disaster Recovery Deliverables"	the Deliverables embodied in the processes and procedures for restoring the provision of Deliverables following the occurrence of a Disaster;
"Disaster Recovery Plan"	has the meaning given to it in Paragraph 2.3.3 of this Schedule;
"Disaster Recovery System"	the system embodied in the processes and procedures for restoring the provision of Deliverables following the occurrence of a Disaster;
"Related Supplier"	any person who provides Deliverables to the Buyer which are related to the Deliverables from time to time;
"Review Report"	has the meaning given to it in Paragraph 6.3 of this Schedule; and
"Supplier's Proposals"	has the meaning given to it in Paragraph 6.3 of this Schedule;

2. BCDR Plan

- 2.1 The Buyer and the Supplier recognise that, where specified in Schedule 4 (Framework Management), CCS shall have the right to enforce the Buyer's rights under this Schedule.
- 2.2 At least ninety (90) Working Days prior to the Start Date the Supplier shall prepare and deliver to the Buyer for the Buyer's written approval a plan (a

"BCDR Plan"), which shall detail the processes and arrangements that the Supplier shall follow to:

2.2.1 ensure continuity of the business processes and operations supported by the Services following any failure or disruption of any element of the Deliverables; and

2.2.2 the recovery of the Deliverables in the event of a Disaster

2.3 The BCDR Plan shall be divided into three sections:

2.3.1 Section 1 which shall set out general principles applicable to the BCDR Plan;

2.3.2 Section 2 which shall relate to business continuity (the **"Business Continuity Plan"**); and

2.3.3 Section 3 which shall relate to disaster recovery (the **"Disaster Recovery Plan"**).

2.4 Following receipt of the draft BCDR Plan from the Supplier, the Parties shall use reasonable endeavours to agree the contents of the BCDR Plan. If the Parties are unable to agree on the contents of the BCDR Plan within twenty (20) Working Days of its submission, then such Disputes shall be resolved in accordance with the Dispute Resolution Procedure.

3. General Principles of the BCDR Plan (Section 1)

3.1 Section 1 of the BCDR Plan shall:

3.1.1 set out how the business continuity and disaster recovery elements of the BCDR Plan link to each other;

3.1.2 provide details of how the invocation of any element of the BCDR Plan may impact upon the provision of the Deliverables and any goods and/or services provided to the Buyer by a Related Supplier;

3.1.3 contain an obligation upon the Supplier to liaise with the Buyer and any Related Suppliers with respect to business continuity and disaster recovery;

3.1.4 detail how the BCDR Plan interoperates with any overarching disaster recovery or business continuity plan of the Buyer and any of its other Related Suppliers in each case as notified to the Supplier by the Buyer from time to time;

3.1.5 contain a communication strategy including details of an incident and problem management service and advice and help desk facility which can be accessed via multiple channels;

3.1.6 contain a risk analysis, including:

(a) failure or disruption scenarios and assessments of likely frequency of occurrence;

(b) identification of any single points of failure within the provision of Deliverables and processes for managing those risks;

Call-Off Schedule 8 (Business Continuity and Disaster Recovery)

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- (c) identification of risks arising from the interaction of the provision of Deliverables with the goods and/or services provided by a Related Supplier; and
- (d) a business impact analysis of different anticipated failures or disruptions;
- 3.1.7 provide for documentation of processes, including business processes, and procedures;
- 3.1.8 set out key contact details for the Supplier (and any Subcontractors) and for the Buyer;
- 3.1.9 identify the procedures for reverting to "normal service";
- 3.1.10 set out method(s) of recovering or updating data collected (or which ought to have been collected) during a failure or disruption to minimise data loss;
- 3.1.11 identify the responsibilities (if any) that the Buyer has agreed it will assume in the event of the invocation of the BCDR Plan; and
- 3.1.12 provide for the provision of technical assistance to key contacts at the Buyer as required by the Buyer to inform decisions in support of the Buyer's business continuity plans.
- 3.2 The BCDR Plan shall be designed so as to ensure that:
 - 3.2.1 the Deliverables are provided in accordance with this Contract at all times during and after the invocation of the BCDR Plan;
 - 3.2.2 the adverse impact of any Disaster is minimised as far as reasonably possible;
 - 3.2.3 it complies with the relevant provisions of ISO/IEC 27002; ISO22301/ISO22313 and all other industry standards from time to time in force; and
 - 3.2.4 it details a process for the management of disaster recovery testing.
- 3.3 The BCDR Plan shall be upgradeable and sufficiently flexible to support any changes to the Deliverables and the business operations supported by the provision of Deliverables.
- 3.4 The Supplier shall not be entitled to any relief from its obligations under the Performance Indicators (PI's) or Service Levels, or to any increase in the Charges to the extent that a Disaster occurs as a consequence of any breach by the Supplier of this Contract.

4. Business Continuity (Section 2)

- 4.1 The Business Continuity Plan shall set out the arrangements that are to be invoked to ensure that the business processes facilitated by the provision of Deliverables remain supported and to ensure continuity of the business operations supported by the Services including:
 - 4.1.1 the alternative processes, options and responsibilities that may be adopted in the event of a failure in or disruption to the provision of Deliverables; and

Call-Off Schedule 8 (Business Continuity and Disaster Recovery)

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4.1.2 the steps to be taken by the Supplier upon resumption of the provision of Deliverables in order to address the effect of the failure or disruption.

4.2 The Business Continuity Plan shall:

4.2.1 address the various possible levels of failures of or disruptions to the provision of Deliverables;

4.2.2 set out the goods and/or services to be provided and the steps to be taken to remedy the different levels of failures of and disruption to the Deliverables;

4.2.3 specify any applicable Performance Indicators with respect to the provision of the Business Continuity Services and details of any agreed relaxation to the Performance Indicators (PI's) or Service Levels in respect of the provision of other Deliverables during any period of invocation of the Business Continuity Plan; and

4.2.4 set out the circumstances in which the Business Continuity Plan is invoked.

5. Disaster Recovery (Section 3)

5.1 The Disaster Recovery Plan (which shall be invoked only upon the occurrence of a Disaster) shall be designed to ensure that upon the occurrence of a Disaster the Supplier ensures continuity of the business operations of the Buyer supported by the Services following any Disaster or during any period of service failure or disruption with, as far as reasonably possible, minimal adverse impact.

5.2 The Supplier's BCDR Plan shall include an approach to business continuity and disaster recovery that addresses the following:

5.2.1 loss of access to the Buyer Premises;

5.2.2 loss of utilities to the Buyer Premises;

5.2.3 loss of the Supplier's helpdesk or CAFM system;

5.2.4 loss of a Subcontractor;

5.2.5 emergency notification and escalation process;

5.2.6 contact lists;

5.2.7 staff training and awareness;

5.2.8 BCDR Plan testing;

5.2.9 post implementation review process;

5.2.10 any applicable Performance Indicators (PI's) with respect to the provision of the disaster recovery services and details of any agreed relaxation to the Performance Indicators (PI's) or Service Levels in respect of the provision of other Deliverables during any period of invocation of the Disaster Recovery Plan;

Call-Off Schedule 8 (Business Continuity and Disaster Recovery)

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- 5.2.11 details of how the Supplier shall ensure compliance with security standards ensuring that compliance is maintained for any period during which the Disaster Recovery Plan is invoked;
- 5.2.12 access controls to any disaster recovery sites used by the Supplier in relation to its obligations pursuant to this Schedule; and
- 5.2.13 testing and management arrangements.

6. Review and changing the BCDR Plan

- 6.1 The Supplier shall review the BCDR Plan:
 - 6.1.1 on a regular basis and as a minimum once every six (6) Months;
 - 6.1.2 within three (3) calendar Months of the BCDR Plan (or any part) having been invoked pursuant to Paragraph 7; and
 - 6.1.3 where the Buyer requests in writing any additional reviews (over and above those provided for in Paragraphs 6.1.1 and 6.1.2 of this Schedule) whereupon the Supplier shall conduct such reviews in accordance with the Buyer's written requirements. Prior to starting its review, the Supplier shall provide an accurate written estimate of the total costs' payable by the Buyer for the Buyer's approval. The costs of both Parties of any such additional reviews shall be met by the Buyer except that the Supplier shall not be entitled to charge the Buyer for any costs that it may incur above any estimate without the Buyer's prior written approval.
- 6.2 Each review of the BCDR Plan pursuant to Paragraph 6.1 shall assess its suitability having regard to any change to the Deliverables or any underlying business processes and operations facilitated by or supported by the Services which have taken place since the later of the original approval of the BCDR Plan or the last review of the BCDR Plan, and shall also have regard to any occurrence of any event since that date (or the likelihood of any such event taking place in the foreseeable future) which may increase the likelihood of the need to invoke the BCDR Plan. The review shall be completed by the Supplier within such period as the Buyer shall reasonably require.
- 6.3 The Supplier shall, within twenty (20) Working Days of the conclusion of each such review of the BCDR Plan, provide to the Buyer a report (a "**Review Report**") setting out the Supplier's proposals (the "**Supplier's Proposals**") for addressing any changes in the risk profile and its proposals for amendments to the BCDR Plan.
- 6.4 Following receipt of the Review Report and the Supplier's Proposals, the Parties shall use reasonable endeavours to agree the Review Report and the Supplier's Proposals. If the Parties are unable to agree on the Review Report and the Supplier's Proposals within twenty (20) Working Days of its submission, then such Disputes shall be resolved in accordance with the Dispute Resolution Procedure.
- 6.5 The Supplier shall as soon as is reasonably practicable after receiving the approval of the Supplier's Proposals effect any change in its practises or procedures necessary so as to give effect to the Supplier's Proposals. Any such change shall be at the Supplier's expense unless it can be reasonably shown

that the changes are required because of a material change to the risk profile of the Deliverables.

7. Testing the BCDR Plan

- 7.1 The Supplier shall test the BCDR Plan:
 - 7.1.1 regularly and in any event not less than once in every Contract Year;
 - 7.1.2 in the event of any major reconfiguration of the Deliverables
 - 7.1.3 at any time where the Buyer considers it necessary (acting in its sole discretion).
- 7.2 If the Buyer requires an additional test of the BCDR Plan, it shall give the Supplier written notice and the Supplier shall conduct the test in accordance with the Buyer's requirements and the relevant provisions of the BCDR Plan. The Supplier's costs of the additional test shall be borne by the Buyer unless the BCDR Plan fails the additional test in which case the Supplier's costs of that failed test shall be borne by the Supplier.
- 7.3 The Supplier shall undertake and manage testing of the BCDR Plan in full consultation with and under the supervision of the Buyer and shall liaise with the Buyer in respect of the planning, performance, and review, of each test, and shall comply with the reasonable requirements of the Buyer.
- 7.4 The Supplier shall ensure that any use by it or any Subcontractor of "live" data in such testing is first approved by the Buyer. Copies of live test data used in any such testing shall be (if so, required by the Buyer) destroyed or returned to the Buyer on completion of the test.
- 7.5 The Supplier shall, within twenty (20) Working Days of the conclusion of each test, provide to the Buyer a report setting out:
 - 7.5.1 the outcome of the test;
 - 7.5.2 any failures in the BCDR Plan (including the BCDR Plan's procedures) revealed by the test; and
 - 7.5.3 the Supplier's proposals for remedying any such failures.
- 7.6 Following each test, the Supplier shall take all measures requested by the Buyer to remedy any failures in the BCDR Plan and such remedial activity and re-testing shall be completed by the Supplier, at its own cost, by the date reasonably required by the Buyer.

8. Invoking the BCDR Plan

- 8.1 In the event of a complete loss of service or in the event of a Disaster, the Supplier shall immediately invoke the BCDR Plan (and shall inform the Buyer promptly of such invocation). In all other instances the Supplier shall invoke or test the BCDR Plan only with the prior consent of the Buyer.

9. Circumstances beyond your control

- 9.1 The Supplier shall not be entitled to relief under Clause 20 (Circumstances beyond your control) if it would not have been impacted by the Force Majeure Event had it not failed to comply with its obligations under this Schedule.

Call-Off Schedule 9 (Security)

Part A: Short Form Security Requirements

1. Definitions

- 1.1 In this Schedule, the following words shall have the following meanings and they shall supplement Joint Schedule 1 (Definitions):

"Breach of Security"	the occurrence of: a) any unauthorised access to or use of the Deliverables, the Sites and/or any Information and Communication Technology ("ICT"), information or data (including the Confidential Information and the Government Data) used by the Buyer and/or the Supplier in connection with this Contract; and/or b) the loss and/or unauthorised disclosure of any information or data (including the Confidential Information and the Government Data), including any copies of such information or data, used by the Buyer and/or the Supplier in connection with this Contract, in either case as more particularly set out in the Security Policy where the Buyer has required compliance the rewith in accordance with paragraph 2.2;
"Security Management Plan"	the Supplier's security management plan prepared pursuant to this Schedule, a draft of which has been provided by the Supplier to the Buyer and as updated from time to time.

2. Complying with security requirements and updates to them

- 2.1 The Buyer and the Supplier recognise that, where specified in Framework Schedule 4 (Framework Management), CCS shall have the right to enforce the Buyer's rights under this Schedule.
- 2.2 The Supplier shall comply with the requirements in this Schedule in respect of the Security Management Plan. Where specified by a Buyer that has undertaken a Further Competition it shall also comply with the Security Policy and shall ensure that the Security Management Plan produced by the Supplier fully

Call-Off Schedule 9 (Security)

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complies with the Security Policy.

- 2.3** Where the Security Policy applies the Buyer shall notify the Supplier of any changes or proposed changes to the Security Policy.
- 2.4** If the Supplier believes that a change or proposed change to the Security Policy will have a material and unavoidable cost implication to the provision of the Deliverables it may propose a Variation to the Buyer. In doing so, the Supplier must support its request by providing evidence of the cause of any increased costs and the steps that it has taken to mitigate those costs. Any change to the Charges shall be subject to the Variation Procedure.
- 2.5** Until and/or unless a change to the Charges is agreed by the Buyer pursuant to the Variation Procedure the Supplier shall continue to provide the Deliverables in accordance with its existing obligations.

3. Security Standards

- 3.1** The Supplier acknowledges that the Buyer places great emphasis on the reliability of the performance of the Deliverables, confidentiality, integrity and availability of information and consequently on security.
- 3.2** The Supplier shall be responsible for the effective performance of its security obligations and shall at all times provide a level of security which:
 - 3.2.1** is in accordance with the Law and this Contract;
 - 3.2.2** as a minimum demonstrates Good Industry Practice;
 - 3.2.3** meets any specific security threats of immediate relevance to the Deliverables and/or the Government Data; and
 - 3.2.4** where specified by the Buyer in accordance with paragraph 2.2 complies with the Security Policy and the ICT Policy.
- 3.3** The references to standards, guidance and policies contained or set out in Paragraph 3.2 shall be deemed to be references to such items as developed and updated and to any successor to or replacement for such standards, guidance and policies, as notified to the Supplier from time to time.
- 3.4** In the event of any inconsistency in the provisions of the above standards, guidance and policies, the Supplier should notify the Buyer's Representative of such inconsistency immediately upon becoming aware of the same, and the Buyer's Representative shall, as soon as practicable, advise the Supplier which provision the Supplier shall be required to comply with.

4. Security Management Plan

4.1 Introduction

- 4.1.1** The Supplier shall develop and maintain a Security Management Plan in accordance with this Schedule. The Supplier shall thereafter comply with its obligations set out in the Security Management Plan.

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4.2 Content of the Security Management Plan

4.2.1 The Security Management Plan shall:

- a) comply with the principles of security set out in Paragraph 3 and any other provisions of this Contract relevant to security;
- b) identify the necessary delegated organisational roles for those responsible for ensuring it is complied with by the Supplier;
- c) detail the process for managing any security risks from Subcontractors and third parties authorised by the Buyer with access to the Deliverables, processes associated with the provision of the Deliverables, the Buyer Premises, the Sites and any ICT, Information and data (including the Buyer's Confidential Information and the Government Data) and any system that could directly or indirectly have an impact on that Information, data and/or the Deliverables;
- d) be developed to protect all aspects of the Deliverables and all processes associated with the provision of the Deliverables, including the Buyer Premises, the Sites, and any ICT, Information and data (including the Buyer's Confidential Information and the Government Data) to the extent used by the Buyer or the Supplier in connection with this Contract or in connection with any system that could directly or indirectly have an impact on that Information, data and/or the Deliverables;
- e) set out the security measures to be implemented and maintained by the Supplier in relation to all aspects of the Deliverables and all processes associated with the provision of the Goods and/or Services and shall at all times comply with and specify security measures and procedures which are sufficient to ensure that the Deliverables comply with the provisions of this Contract;
- f) set out the plans for transitioning all security arrangements and responsibilities for the Supplier to meet the full obligations of the security requirements set out in this Contract and, where necessary in accordance with paragraph 2.2 the Security Policy; and
- g) be written in plain English in language which is readily comprehensible to the staff of the Supplier and the Buyer engaged in the provision of the Deliverables and shall only reference documents which are in the possession of the Parties or whose location is otherwise specified in this Schedule.

4.3 Development of the Security Management Plan

- 4.3.1** Within twenty (20) Working Days after the Start Date and in accordance with Paragraph 4.4, the Supplier shall prepare and deliver to the Buyer for Approval a fully complete and up to date Security Management Plan which will be based on the draft Security Management Plan.

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- 4.3.2 If the Security Management Plan submitted to the Buyer in accordance with Paragraph 4.3.1, or any subsequent revision to it in accordance with Paragraph 4.4, is Approved it will be adopted immediately and will replace the previous version of the Security Management Plan and thereafter operated and maintained in accordance with this Schedule. If the Security Management Plan is not Approved, the Supplier shall amend it within ten (10) Working Days of a notice of non-approval from the Buyer and re-submit to the Buyer for Approval. The Parties will use all reasonable endeavours to ensure that the approval process takes as little time as possible and, in any event, no longer than fifteen (15) Working Days from the date of its first submission to the Buyer. If the Buyer does not approve the Security Management Plan following its resubmission, the matter will be resolved in accordance with the Dispute Resolution Procedure.
- 4.3.3 The Buyer shall not unreasonably withhold or delay its decision to Approve or not the Security Management Plan pursuant to Paragraph 4.3.2. However a refusal by the Buyer to Approve the Security Management Plan on the grounds that it does not comply with the requirements set out in Paragraph 4.2 shall be deemed to be reasonable.
- 4.3.4 Approval by the Buyer of the Security Management Plan pursuant to Paragraph 4.3.2 or of any change to the Security Management Plan in accordance with Paragraph 4.4 shall not relieve the Supplier of its obligations under this Schedule.

4.4 Amendment of the Security Management Plan

- 4.4.1 The Security Management Plan shall be fully reviewed and updated by the Supplier at least annually to reflect:
 - a) emerging changes in Good Industry Practice;
 - b) any change or proposed change to the Deliverables and/or associated processes;
 - c) where necessary in accordance with paragraph 2.2, any change to the Security Policy;
 - d) any new perceived or changed security threats; and
 - e) any reasonable change in requirements requested by the Buyer.
- 4.4.2 The Supplier shall provide the Buyer with the results of such reviews as soon as reasonably practicable after their completion and amendment of the Security Management Plan at no additional cost to the Buyer. The results of the review shall include, without limitation:
 - a) suggested improvements to the effectiveness of the Security Management Plan;
 - b) updates to the risk assessments; and
 - c) suggested improvements in measuring the effectiveness of

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controls.

- 4.4.3 Subject to Paragraph 4.4.4, any change or amendment which the Supplier proposes to make to the Security Management Plan (as a result of a review carried out in accordance with Paragraph 4.4.1, a request by the Buyer or otherwise) shall be subject to the Variation Procedure.
- 4.4.4 The Buyer may, acting reasonably, Approve and require changes or amendments to the Security Management Plan to be implemented on timescales faster than set out in the Variation Procedure but, without prejudice to their effectiveness, all such changes and amendments shall thereafter be subject to the Variation Procedure for the purposes of formalising and documenting the relevant change or amendment.

5. Security breach

- 5.1 Either Party shall notify the other in accordance with the agreed security incident management process (as detailed in the Security Management Plan) upon becoming aware of any Breach of Security or any potential or attempted Breach of Security.
- 5.2 Without prejudice to the security incident management process, upon becoming aware of any of the circumstances referred to in Paragraph 5.1, the Supplier shall:
 - 5.2.1 immediately take all reasonable steps (which shall include any action or changes reasonably required by the Buyer) necessary to:
 - a) minimise the extent of actual or potential harm caused by any Breach of Security;
 - b) remedy such Breach of Security to the extent possible and protect the integrity of the Buyer and the provision of the Goods and/or Services to the extent within its control against any such Breach of Security or attempted Breach of Security;
 - c) prevent an equivalent breach in the future exploiting the same cause failure; and
 - d) as soon as reasonably practicable provide to the Buyer, where the Buyer so requests, full details (using the reporting mechanism defined by the Security Management Plan) of the Breach of Security or attempted Breach of Security, including a cause analysis where required by the Buyer.
- 5.3 In the event that any action is taken in response to a Breach of Security or potential or attempted Breach of Security that demonstrates non-compliance of the Security Management Plan with the Security Policy (where relevant in accordance with paragraph 2.2) or the requirements of this Schedule, then any required change to the Security Management Plan shall be at no cost to the

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Framework Ref: RM6188

Model Version: v3.4:

Call-Off Schedule 10 (Exit Management)

1. Definitions

1.1 In this Schedule, the following words shall have the following meanings and they shall supplement Joint Schedule 1 (Definitions):

"Exclusive Assets"	Supplier Assets used exclusively by the Supplier(s) in the provision of the Deliverables;
"Exit Information"	has the meaning given to it in Paragraph 3.1 of this Schedule;
"Exit Manager"	the person appointed by each Party to manage their respective obligations under this Schedule;
"Exit Plan"	the plan produced and updated by the Supplier during the Initial Period in accordance with Paragraph 4 of this Schedule;
"Net Book Value"	the current net book value of the relevant Supplier Asset(s) calculated in accordance with the Framework Tender or Call-Off Tender (if stated) or (if not stated) the depreciation policy of the Supplier (which the Supplier shall ensure is in accordance with Good Industry Practice);
"Non-Exclusive Assets"	those Supplier Assets used by the Supplier(s) in connection with the Deliverables but which are also used by the Supplier(s) for other purposes;
"Registers"	the register and configuration database referred to in Paragraph 2.2 of this Schedule;
"Replacement Goods"	any goods which are substantially similar to any of the Goods and which the Buyer receives in substitution for any of the Goods following the End Date, whether those goods are provided by the Buyer internally and/or by any third party;
"Replacement Services"	any services which are substantially similar to any of the Services and which the Buyer receives in substitution for any of the Services following the End Date, whether those goods are provided by the Buyer internally and/or by any third party;

"Termination Assistance"	the activities to be performed by the Supplier pursuant to the Exit Plan, and other assistance required by the Buyer pursuant to the Termination Assistance Notice;
"Termination Assistance Notice"	has the meaning given to it in Paragraph 5.1 of this Schedule;
"Termination Assistance Period"	the period specified in a Termination Assistance Notice for which the Supplier is required to provide the Termination Assistance as such period may be extended pursuant to Paragraph 5.2 of this Schedule;
"Transferable Assets"	Exclusive Assets which are capable of legal transfer to the Buyer;
"Transferable Contracts"	Sub-Contracts, licences for Supplier's Software, licences for Third Party Software or other agreements which are necessary to enable the Buyer or any Replacement Supplier to provide the Deliverables or the Replacement Goods and/or Replacement Services, including in relation to licences all relevant Documentation;
"Transferring Assets"	has the meaning given to it in Paragraph 8.2.1 of this Schedule;
"Transferring Contracts"	has the meaning given to it in Paragraph 8.2.3 of this Schedule.

2. Supplier must always be prepared for contract exit

2.1 Where requested by the Buyer, the Supplier shall within 30 days provide to the Buyer a copy of its depreciation policy to be used for the purposes of calculating Net Book Value.

2.2 Where requested by the Buyer, during the Contract Period, the Supplier shall promptly:

- 2.2.1 create and maintain a detailed register of all Supplier Assets (including description, condition, location and details of ownership and status as either Exclusive Assets or Non-Exclusive Assets and Net Book Value) and Sub-contracts and other relevant agreements required in connection with the Deliverables; and
- 2.2.2 create and maintain a configuration database detailing the technical infrastructure and operating procedures through which the Supplier provides the Deliverables

("Registers").

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2.3 The Supplier shall:

- 2.3.1 ensure that all Exclusive Assets listed in the Registers (where required by the Authority) are clearly physically identified as such; and
- 2.3.2 procure that all licences for Third Party Software and all Sub-Contracts shall be assignable and/or capable of novation (at no cost or restriction to the Buyer) at the request of the Buyer to the Buyer (and/or its nominee) and/or any Replacement Supplier upon the Supplier ceasing to provide the Deliverables (or part of them) and if the Supplier is unable to do so then the Supplier shall promptly notify the Buyer and the Buyer may require the Supplier to procure an alternative Subcontractor or provider of Deliverables.

2.4 Each Party shall appoint an Exit Manager within three (3) Months of the Start Date. The Parties' Exit Managers will liaise with one another in relation to all issues relevant to the expiry or termination of this Contract.

3. Assisting re-competition for Deliverables

- 3.1 The Supplier shall, on reasonable notice, provide to the Buyer and/or its potential Replacement Suppliers (subject to the potential Replacement Suppliers entering into reasonable written confidentiality undertakings), such information (including any access) as the Buyer shall reasonably require in order to facilitate the preparation by the Buyer of any invitation to tender and/or to facilitate any potential Replacement Suppliers undertaking due diligence (the "**Exit Information**").
- 3.2 The Supplier acknowledges that the Buyer may disclose the Supplier's Confidential Information (excluding the Supplier's or its Subcontractors' prices or costs) to an actual or prospective Replacement Supplier to the extent that such disclosure is necessary in connection with such engagement.
- 3.3 The Supplier shall provide complete updates of the Exit Information on an as-requested basis as soon as reasonably practicable and notify the Buyer within five (5) Working Days of any material change to the Exit Information which may adversely impact upon the provision of any Deliverables (and shall consult the Buyer in relation to any such changes).
- 3.4 The Exit Information shall be accurate and complete in all material respects and shall be sufficient to enable a third party to prepare an informed offer for those Deliverables; and not be disadvantaged in any procurement process compared to the Supplier.

4. Exit Plan

- 4.1 The Supplier shall, within three (3) Months after the Start Date, deliver to the Buyer an Exit Plan which complies with the requirements set out in Paragraph 4.3 of this Schedule and is otherwise reasonably satisfactory to the Buyer.
- 4.2 The Parties shall use reasonable endeavours to agree the contents of the Exit Plan. If the Parties are unable to agree the contents of the Exit Plan within twenty (20) Working Days of the latest date for its submission

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pursuant to Paragraph 4.1, then such Dispute shall be resolved in accordance with the Dispute Resolution Procedure.

4.3 The Exit Plan shall set out, as a minimum:

- 4.3.1 a detailed description of both the transfer and cessation processes, including a timetable;
- 4.3.2 how the Deliverables will transfer to the Replacement Supplier and/or the Buyer;
- 4.3.3 details of any contracts which will be available for transfer to the Buyer and/or the Replacement Supplier upon the Expiry Date together with any reasonable costs required to effect such transfer;
- 4.3.4 proposals for the training of key members of the Replacement Supplier's staff in connection with the continuation of the provision of the Deliverables following the Expiry Date;
- 4.3.5 proposals for providing the Buyer or a Replacement Supplier copy of all documentation relating to the use and operation of the Deliverables and required for their continued use;
- 4.3.6 proposals for the assignment or novation of all services utilised by the Supplier in connection with the supply of the Deliverables;
- 4.3.7 proposals for the identification and return of all Buyer Property in the possession of and/or control of the Supplier or any third party;
- 4.3.8 proposals for the disposal of any redundant Deliverables and materials;
- 4.3.9 how the Supplier will ensure that there is no disruption to or degradation of the Deliverables during the Termination Assistance Period; and
- 4.3.10 any other information or assistance reasonably required by the Buyer or a Replacement Supplier.

4.4 The Supplier shall:

- 4.4.1 maintain and update the Exit Plan (and risk management plan) no less frequently than:
 - (a) every three (3) months throughout the Contract Period; and
 - (b) no later than twenty (20) Working Days after a request from the Buyer for an up-to-date copy of the Exit Plan;
 - (c) as soon as reasonably possible following a Termination Assistance Notice, and in any event no later than ten (10) Working Days after the date of the Termination Assistance Notice;
 - (d) as soon as reasonably possible following, and as agreed with the Authority, and in any event no later than twenty (20) Working Days following, any material change to the Deliverables (including all changes under the Variation Procedure); and

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4.4.2 jointly review and verify the Exit Plan if required by the Buyer and promptly correct any identified failures.

4.5 Only if (by notification to the Supplier in writing) the Buyer agrees with a draft Exit Plan provided by the Supplier under Paragraph 4.2 or 4.4 (as the context requires), shall that draft become the Exit Plan for this Contract.

4.6 A version of an Exit Plan agreed between the parties shall not be superseded by any draft submitted by the Supplier.

5. Termination Assistance

5.1 The Buyer shall be entitled to require the provision of Termination Assistance at any time during the Contract Period by giving written notice to the Supplier (a **"Termination Assistance Notice"**) at least four (4) Months prior to the Expiry Date or as soon as reasonably practicable (but in any event, not later than one (1) Month) following the service by either Party of a Termination Notice. The Termination Assistance Notice shall specify:

5.1.1 the nature of the Termination Assistance required; and

5.1.2 the start date and initial period during which it is anticipated that Termination Assistance will be required, which shall continue no longer than twelve (12) Months after the End Date.

5.2 The Buyer shall have an option to extend the Termination Assistance Period beyond the initial period specified in the Termination Assistance Notice in one or more extensions, in each case provided that:

5.2.1 no such extension shall extend the Termination Assistance Period beyond the date twelve (12) Months after the End Date; and

5.2.2 the Buyer shall notify the Supplier of any such extension no later than twenty (20) Working Days prior to the date on which the Termination Assistance Period is otherwise due to expire.

5.3 The Buyer shall have the right to terminate its requirement for Termination Assistance by serving not less than twenty (20) Working Days' written notice upon the Supplier.

5.4 In the event that Termination Assistance is required by the Buyer but at the relevant time the parties are still agreeing an update to the Exit Plan pursuant to Paragraph 4, the Supplier will provide the Termination Assistance in good faith and in accordance with the principles in this Schedule and the last Buyer approved version of the Exit Plan (insofar as it still applies).

6. Termination Assistance Period

6.1 Throughout the Termination Assistance Period the Supplier shall:

6.1.1 continue to provide the Deliverables (as applicable) and otherwise perform its obligations under this Contract and, if required by the Buyer, provide the Termination Assistance;

6.1.2 provide to the Buyer and/or its Replacement Supplier any reasonable assistance and/or access requested by the Buyer and/or its Replacement

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Supplier including assistance and/or access to facilitate the orderly transfer of responsibility for and conduct of the Deliverables to the Buyer and/or its Replacement Supplier;

- 6.1.3 use all reasonable endeavours to reallocate resources to provide such assistance without additional costs to the Buyer;
 - 6.1.4 subject to Paragraph 6.3, provide the Deliverables and the Termination Assistance at no detriment to the Performance Indicators (PI's) or Service Levels, the provision of the Management Information or any other reports nor to any other of the Supplier's obligations under this Contract;
 - 6.1.5 at the Buyer's request and on reasonable notice, deliver up-to-date Registers to the Buyer;
 - 6.1.6 seek the Buyer's prior written consent to access any Buyer Premises from which the de-installation or removal of Supplier Assets is required.
- 6.2 If it is not possible for the Supplier to reallocate resources to provide such assistance as is referred to in Paragraph 6.1.2 without additional costs to the Buyer, any additional costs incurred by the Supplier in providing such reasonable assistance shall be subject to the Variation Procedure.
- 6.3 If the Supplier demonstrates to the Buyer's reasonable satisfaction that the provision of the Termination Assistance will have a material, unavoidable adverse effect on the Supplier's ability to meet one or more particular Service Levels, the Parties shall vary the relevant Service Levels and/or the applicable Service Credits accordingly.

7. Obligations when the contract is terminated

- 7.1 The Supplier shall comply with all of its obligations contained in the Exit Plan.
- 7.2 Upon termination or expiry or at the end of the Termination Assistance Period (or earlier if this does not adversely affect the Supplier's performance of the Deliverables and the Termination Assistance), the Supplier shall:
 - 7.2.1 vacate any Buyer Premises;
 - 7.2.2 remove the Supplier Equipment together with any other materials used by the Supplier to supply the Deliverables and shall leave the Sites in a clean, safe and tidy condition. The Supplier is solely responsible for making good any damage to the Sites or any objects contained thereon, other than fair wear and tear, which is caused by the Supplier;
 - 7.2.3 provide access during normal working hours to the Buyer and/or the Replacement Supplier for up to twelve (12) Months after expiry or termination to:
 - (a) such information relating to the Deliverables as remains in the possession or control of the Supplier; and
 - (b) such members of the Supplier Staff as have been involved in the design, development and provision of the Deliverables and who are still employed by the

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Supplier, provided that the Buyer and/or the Replacement Supplier shall pay the reasonable costs of the Supplier actually incurred in responding to such requests for access.

7.3 Except where this Contract provides otherwise, all licences, leases and authorisations granted by the Buyer to the Supplier in relation to the Deliverables shall be terminated with effect from the end of the Termination Assistance Period.

8. Assets, Sub-contracts and Software

8.1 Following notice of termination of this Contract and during the Termination Assistance Period, the Supplier shall not, without the Buyer's prior written consent:

- 8.1.1 terminate, enter into or vary any Subcontract or licence for any software in connection with the Deliverables; or
- 8.1.2 (subject to normal maintenance requirements) make material modifications to, or dispose of, any existing Supplier Assets or acquire any new Supplier Assets.

8.2 Within twenty (20) Working Days of receipt of the up-to-date Registers provided by the Supplier, the Buyer shall notify the Supplier setting out:

- 8.2.1 which, if any, of the Transferable Assets the Buyer requires to be transferred to the Buyer and/or the Replacement Supplier ("**Transferring Assets**");
- 8.2.2 which, if any, of:
 - (a) the Exclusive Assets that are not Transferable Assets; and
 - (b) the Non-Exclusive Assets,the Buyer and/or the Replacement Supplier requires the continued use of; and

- 8.2.3 which, if any, of Transferable Contracts the Buyer requires to be assigned or novated to the Buyer and/or the Replacement Supplier (the "**Transferring Contracts**"),

in order for the Buyer and/or its Replacement Supplier to provide the Deliverables from the expiry of the Termination Assistance Period. The Supplier shall provide all reasonable assistance required by the Buyer and/or its Replacement Supplier to enable it to determine which Transferable Assets and Transferable Contracts are required to provide the Deliverables or the Replacement Goods and/or Replacement Services.

8.3 With effect from the expiry of the Termination Assistance Period, the Supplier shall sell the Transferring Assets to the Buyer and/or the Replacement Supplier for their Net Book Value less any amount already paid for them through the Charges.

8.4 Risk in the Transferring Assets shall pass to the Buyer or the Replacement Supplier (as appropriate) at the end of the Termination Assistance Period and title shall pass on payment for them.

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8.5 Where the Buyer and/or the Replacement Supplier requires continued use of any Exclusive Assets that are not Transferable Assets or any Non-Exclusive Assets, the Supplier shall as soon as reasonably practicable:

- 8.5.1 procure a non-exclusive, perpetual, royalty-free licence for the Buyer and/or the Replacement Supplier to use such assets (with a right of sub-licence or assignment on the same terms); or failing which
- 8.5.2 procure a suitable alternative to such assets, the Buyer, or the Replacement Supplier to bear the reasonable proven costs of procuring the same.

8.6 The Supplier shall as soon as reasonably practicable assign or procure the novation of the Transferring Contracts to the Buyer and/or the Replacement Supplier. The Supplier shall execute such documents and provide such other assistance as the Buyer reasonably requires to effect this novation or assignment.

8.7 The Buyer shall:

- 8.7.1 accept assignments from the Supplier or join with the Supplier in procuring a novation of each Transferring Contract; and
- 8.7.2 once a Transferring Contract is novated or assigned to the Buyer and/or the Replacement Supplier, discharge all the obligations and liabilities created by or arising under that Transferring Contract and exercise its rights arising under that Transferring Contract, or as applicable, procure that the Replacement Supplier does the same.

8.8 The Supplier shall hold any Transferring Contracts on trust for the Buyer until the transfer of the relevant Transferring Contract to the Buyer and/or the Replacement Supplier has taken place.

8.9 The Supplier shall indemnify the Buyer (and/or the Replacement Supplier, as applicable) against each loss, liability and cost arising out of any claims made by a counterparty to a Transferring Contract which is assigned or novated to the Buyer (and/or Replacement Supplier) pursuant to Paragraph 8.6 in relation to any matters arising prior to the date of assignment or novation of such Transferring Contract. Clause 19 (Other people's rights in this contract) shall not apply to this Paragraph 8.9 which is intended to be enforceable by Third Parties Beneficiaries by virtue of the CRTPA.

9. No charges

9.1 Unless otherwise stated, the Buyer shall not be obliged to pay for costs incurred by the Supplier in relation to its compliance with this Schedule.

10. Dividing the bills

10.1 All outgoings, expenses, rents, royalties and other periodical payments receivable in respect of the Transferring Assets and Transferring Contracts shall be apportioned between the Buyer and/or the Replacement and the Supplier as follows:

- 10.1.1 the amounts shall be annualised and divided by 365 to reach a daily rate;

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- 10.1.2 the Buyer or Replacement Supplier (as applicable) shall be responsible for or entitled to (as the case may be) that part of the value of the invoice pro rata to the number of complete days following the transfer, multiplied by the daily rate; and
- 10.1.3 the Supplier shall be responsible for or entitled to (as the case may be) the rest of the invoice.

Call-Off Schedule 14 (Service Levels)

1. Definitions

- 1.1 In this Schedule, the following words shall have the following meanings and they shall supplement Joint Schedule 1 (Definitions):

"Critical Service Level Failure"	has the meaning given to it in the Order Form;
"Service Credits"	any service credits specified in the Annex to Part A of this Schedule being payable by the Supplier to the Buyer in respect of any failure by the Supplier to meet one or more Service Levels;
"Service Credit Cap"	has the meaning given to it in the Order Form;
"Service Level Failure"	means a failure to meet the Service Level Performance Measure in respect of a Service Level;
"Service Level Performance Measure"	shall be as set out against the relevant Service Level in the Annex to Part A of this Schedule; and
"Service Level Threshold"	shall be as set out against the relevant Service Level in the Annex to Part A of this Schedule.

2. What happens if you don't meet the Service Levels

- 2.1 The Supplier shall at all times provide the Deliverables to meet or exceed the Service Level Performance Measure for each Service Level.
- 2.2 The Supplier acknowledges that any Service Level Failure shall entitle the Buyer to the rights set out in Part A of this Schedule including the right to any Service Credits and that any Service Credit is a price adjustment and not an estimate of the Loss that may be suffered by the Buyer as a result of the Supplier's failure to meet any Service Level Performance Measure.
- 2.3 The Supplier shall send Performance Monitoring Reports to the Buyer detailing the level of service which was achieved in accordance with the provisions of Part B (Performance Monitoring) of this Schedule.
- 2.4 A Service Credit shall be the Buyer's exclusive financial remedy for a Service Level Failure except where:
- 2.4.1 the Supplier has over the previous (twelve) 12 Month period exceeded the Service Credit Cap; and/or

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2.4.2 the Service Level Failure:

- (a) exceeds the relevant Service Level Threshold;
- (b) has arisen due to a Prohibited Act or wilful Default by the Supplier;
- (c) results in the corruption or loss of any Government Data; and/or
- (d) results in the Buyer being required to make a compensation payment to one or more third parties; and/or

2.4.3 the Buyer is entitled to or does terminate this Contract pursuant to Clause 10.4 (CCS and Buyer Termination Rights).

2.5 Not more than once in each Contract Year, the Buyer may, on giving the Supplier at least three (3) Months' notice, change the weighting of Service Level Performance Measure in respect of one or more Service Levels and the Supplier shall not be entitled to object to, or increase the Charges as a result of such changes, provided that:

2.5.1 the total number of Service Levels for which the weighting is to be changed does not exceed the number applicable as at the Start Date;

2.5.2 the principal purpose of the change is to reflect changes in the Buyer's business requirements and/or priorities or to reflect changing industry standards; and

2.5.3 there is no change to the Service Credit Cap.

3. Critical Service Level Failure

On the occurrence of a Critical Service Level Failure:

- 3.1 any Service Credits that would otherwise have accrued during the relevant Service Period shall not accrue; and
- 3.2 the Buyer shall (subject to the Service Credit Cap) be entitled to withhold and retain as compensation a sum equal to any Charges which would otherwise have been due to the Supplier in respect of that Service Period ("**Compensation for Critical Service Level Failure**"),

provided that the operation of this paragraph 3 shall be without prejudice to the right of the Buyer to terminate this Contract and/or to claim damages from the Supplier for material Default.

Part A: Service Levels and Service Credits

1. Service Levels

If the level of performance of the Supplier:

- 1.1 is likely to or fails to meet any Service Level Performance Measure; or
- 1.2 is likely to cause or causes a Critical Service Failure to occur,

the Supplier shall immediately notify the Buyer in writing and the Buyer, in its absolute discretion and without limiting any other of its rights, may:

- 1.a.1 require the Supplier to immediately take all remedial action that is reasonable to mitigate the impact on the Buyer and to rectify or prevent a Service Level Failure or Critical Service Level Failure from taking place or recurring;
- 1.a.2 instruct the Supplier to comply with the Rectification Plan Process;
- 1.a.3 if a Service Level Failure has occurred, deduct the applicable Service Level Credits payable by the Supplier to the Buyer; and/or
- 1.a.4 if a Critical Service Level Failure has occurred, exercise its right to Compensation for Critical Service Level Failure (including the right to terminate for material Default).

2. Service Credits

- 2.1 The Buyer shall use the Performance Monitoring Reports supplied by the Supplier to verify the calculation and accuracy of the Service Credits, if any, applicable to each Service Period.
- 2.2 Service Credits are a reduction of the amounts payable in respect of the Deliverables and do not include VAT. The Supplier shall set-off the value of any Service Credits against the appropriate invoice in accordance with the calculation formula in the Annex to Part A of this Schedule.

Annex A to Part A: Services Levels and Service Credits Table

Service Levels						Service Credit for each Service Period
Key Indicator	Service Level Performance Criterion	Service Level Performance Measure	Service Level Threshold			
			Red	Amber	Green	
Delivery – Key Milestones	All Milestones contained in Project Plan and contract documentation to be delivered on time and in line with all requirements as detailed within the latest project plans and specification.	All requirements under this measure to be delivered and reviewed monthly in progress meetings.	Exceeds any Milestone delivery deadline by 3 working days or more.	Exceeds any Milestone delivery deadline by 2 working days or more.	Meets the Milestone delivery deadline.	2% Service Credit gained for each day the weekly delivery deadline is missed under this Service Level Performance Measure
Delivery – all Reporting Requirements	All Reporting Requirements contained in Project Plans and Specification to be delivered on time and in line with all requirements as detailed within the latest project plans and specification.	All requirements under this measure to be delivered and reviewed weekly / as required in progress meetings.	Exceeds the delivery deadline by 3 working days or more.	Exceeds the weekly delivery deadline by 2 working days or more.	Meets the weekly delivery deadline.	2% Service Credit gained for each day the weekly delivery deadline is missed under this Service Level Performance Measure
Delivery – Discount Application Checks	All Discount Application Checks relating to each Round of checks to be progressed diligently and carried out on all participating Energy Suppliers in line with the Specification and agreed Methodology statements.	All requirements under this measure to be delivered and reviewed weekly in progress meetings.	Relevant Deliverables not progressed or delivered in line with requirements.	Relevant Deliverables only partially progressed or delivered in line with requirements.	All relevant Deliverables progressed and delivered in line with requirements.	2% Service Credit gained for each week where all relevant Deliverables are not progressed and delivered in line with requirements. This measurement will be taken and scored weekly as the processes are being undertaken, not only on completion.
Delivery – Data Validation Checks	All Data Validation Checks relating to each Round of checks to be progressed diligently and carried out on all participating Energy Suppliers in line with the Specification and agreed Methodology statements.	All requirements under this measure to be delivered and reviewed weekly in progress meetings.	Relevant Deliverables not progressed or delivered in line with requirements.	Relevant Deliverables only partially progressed or delivered in line with requirements.	All relevant Deliverables progressed and delivered in line with requirements.	2% Service Credit gained for each week where all relevant Deliverables are not progressed and delivered in line with requirements. This measurement will be taken and scored weekly as the

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						processes are being undertaken, not only on completion.
Delivery – Non Standard Cases	All Non-Standard Case Checks to be delivered in line with the Specification and agreed Methodology statements. Timings / period during which these checks are to be undertaken throughout the Term of this agreement to be instructed in advance by the Department.	All requirements under this measure to be delivered and reviewed weekly in progress meetings during the period the checks are being undertaken.	Relevant Deliverables not progressed or delivered in line with requirements.	Relevant Deliverables only partially progressed or delivered in line with requirements.	All relevant Deliverables progressed and delivered in line with requirements.	2% Service Credit gained for each week where all relevant Deliverables are not progressed and delivered in line with requirements (during the period/s when the checks are being undertaken).
Delivery – Non-Domestic Alternative Fuel Payments	All Top-up and Flat-Payment Checks (one Round only) to be progressed diligently and carried out on all participating Energy Suppliers in line with the Specification and agreed Methodology statements.	All requirements under this measure to be delivered and reviewed weekly in progress meetings.	Relevant Deliverables not progressed or delivered in line with requirements.	Relevant Deliverables only partially progressed or delivered in line with requirements.	All relevant Deliverables progressed and delivered in line with requirements.	2% Service Credit gained for each week where all relevant Deliverables are not progressed and delivered in line with requirements.
ETII – Eligibility Criteria Checks	All ETII Eligibility Criteria Checks to be delivered in line with the Specification and agreed Methodology statements. Timings / period during which these checks are to be undertaken throughout the Term of this agreement to be instructed in advance by the Department.	All requirements under this measure to be delivered and reviewed weekly in progress meetings during the period the checks are being undertaken.	Relevant Deliverables not progressed or delivered in line with requirements.	Relevant Deliverables only partially progressed or delivered in line with requirements.	All relevant Deliverables progressed and delivered in line with requirements.	2% Service Credit gained for each week where all relevant Deliverables are not progressed and delivered in line with requirements (during the period/s when the checks are being undertaken).
Data Collection and Engagement with Energy Suppliers	All data collection requirements (Requests for Information (RfI)) to be conveyed timely and clearly to all participating Energy Suppliers. Engagement to be undertaken as required with all Energy Suppliers in an open and co-operative manner to ensure that the Energy Suppliers understand all requirements and that	All requirements under this measure to be delivered and reviewed weekly in progress meetings.	Relevant Deliverables not progressed or delivered in line with requirements.	Relevant Deliverables only partially progressed or delivered in line with requirements.	All relevant Deliverables progressed and delivered in line with requirements.	2% Service Credit gained for each week where all relevant Deliverables are not progressed and delivered in line with requirements. This measurement will be taken and scored weekly as the processes are being undertaken, not only on completion.

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	any difficulties being encountered by the Energy Suppliers are understood by the Supplier and appropriate assistance provided to all Energy Suppliers as required to ensure all required Data is collected accurately and within required timescales.					
Risk Management/non-compliance evidence log	The supplier will identify risks in delivering the scheme to the agreed milestone schedule and notify the Department during weekly review meetings. The supplier will maintain a risk log on each relevant scheme / task on those risks of fraud, gaming etc. Each risk to have a named owner and mitigation actions. Log to be updated on a weekly basis as a minimum. Or more frequently as required.	All requirements under this KPI will be measured on a monthly basis at project governance reviews.	Risk Log not maintained on regular basis as per criterion, with mitigations & updated regularly to reduce any risks.		Risk Log maintained on regular basis as per criterion, with mitigations & updated regularly to reduce any risks. Supplier is encouraged to report risks to the Department as and when they become apparent, together with proposed mitigation	2% Service Credit gained for non-delivery under this Service Level Performance Measure (when score/measurement is RED as per this schedule).
Social Values	Create opportunities for entrepreneurship and help new organisations to grow, supporting economic growth and business creation. Measurable performance against the metrics below: - Start-ups - SMEs - VCSEs - Supply chain engagement index (e.g., Net promoter score from supplier feedback surveys)	All requirements under this KPI be measured on a monthly basis at project governance reviews. Details of Supplier submissions, methods and frequency of measurements to be agreed with the supplier.	Performance against the metrics is not provided on a regular basis.	Performance is tracked but progress is absent or inconsistent &/or lack of evidence to substantiate.	Performance is tracked and there is a clear improvement against the metrics which can be evidenced.	2% Service credit gained for non-delivery under this Service Level Performance Measure (when score/measurement is RED as per this schedule).

Call-Off Schedule 14 (Service Levels)

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Continuous Improvement	Delivery against cost-efficiency continuous improvement initiatives	An updated Continuous Improvement Plan to be issued at least once every 3 months (per quarter) as a minimum and as in line with Call-Off Schedule 3 (Continuous Improvement). This Service Level Performance Measure shall be measured quarterly.	An updated Continuous Improvement Plan is not issued at least once every 3 months (per quarter) as a minimum and as in line with Call-Off Schedule 3 (Continuous Improvement).		An updated Continuous Improvement Plan is issued at least once every 3 months (per quarter) as a minimum and as in line with Call-Off Schedule 3 (Continuous Improvement).	2% Service Credit gained for non-delivery under this Service Level Performance Measure (when score/measurement is RED as per this schedule).
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* The Service Credit value is calculated as the stated percentage of the average of the last available three months actual invoice value (where three months invoicing is available). Where three months invoicing is not available, such as at commencement, the Service Credit value will be calculated as an average of the invoiced values available (e.g. If only 1 month has been invoiced, this value will be taken. If 2 months have been invoiced, then an average of the two months will be taken). Note that in any single monthly period the total Service Credit payable shall not exceed 10% of the average of the last three months actual invoice value.

TO NOTE: The project plan and timelines referred to in this Annex A to Part A: Services Levels and Service Credits Table, is currently indicative and will be finalised and signed off during mobilisation.

Part B: Performance Monitoring

3. Performance Monitoring and Performance Review

- 3.1 Within twenty (20) Working Days of the Start Date the Supplier shall provide the Buyer with details of how the process in respect of the monitoring and reporting of Service Levels will operate between the Parties and the Parties will endeavour to agree such process as soon as reasonably possible.
- 3.2 The Supplier shall provide the Buyer with performance monitoring reports ("**Performance Monitoring Reports**") in accordance with the process and timescales agreed pursuant to paragraph 3.1 of Part B of this Schedule which shall contain, as a minimum, the following information in respect of the relevant Service Period just ended:
 - 3.2.1 for each Service Level, the actual performance achieved over the Service Level for the relevant Service Period;
 - 3.2.2 a summary of all failures to achieve Service Levels that occurred during that Service Period;
 - 3.2.3 details of any Critical Service Level Failures;
 - 3.2.4 for any repeat failures, actions taken to resolve the underlying cause and prevent recurrence;
 - 3.2.5 the Service Credits to be applied in respect of the relevant period indicating the failures and Service Levels to which the Service Credits relate; and
 - 3.2.6 such other details as the Buyer may reasonably require from time to time.
- 3.3 The Parties shall attend meetings to discuss Performance Monitoring Reports ("**Performance Review Meetings**") on a Monthly basis. The Performance Review Meetings will be the forum for the review by the Supplier and the Buyer of the Performance Monitoring Reports. The Performance Review Meetings shall:
 - 3.3.1 take place within one (1) week of the Performance Monitoring Reports being issued by the Supplier at such location and time (within normal business hours) as the Buyer shall reasonably require;
 - 3.3.2 be attended by the Supplier's Representative and the Buyer's Representative; and
 - 3.3.3 be fully minuted by the Supplier and the minutes will be circulated by the Supplier to all attendees at the relevant meeting and also to the Buyer's Representative and any other recipients agreed at the relevant meeting.
- 3.4 The minutes of the preceding Month's Performance Review Meeting will be agreed and signed by both the Supplier's Representative and the Buyer's Representative at each meeting.
- 3.5 The Supplier shall provide to the Buyer such documentation as the Buyer

may reasonably require in order to verify the level of the performance by the Supplier and the calculations of the amount of Service Credits for any specified Service Period.

4. Satisfaction Surveys

- 1.1.1 The Buyer may undertake satisfaction surveys in respect of the Supplier's provision of the Deliverables. The Buyer shall be entitled to notify the Supplier of any aspects of their performance of the provision of the Deliverables which the responses to the Satisfaction Surveys reasonably suggest are not in accordance with this Contract.

Call-Off Schedule 20 (Call-Off Specification)

This Schedule sets out the characteristics of the Deliverables that the Supplier will be required to make to the Buyers under this Call-Off Contract

DOCUMENT 2

THE SPECIFICATION



Department for
Energy Security
& Net Zero

SPECIFICATION

Title: Non Domestic Energy Suppliers Compliance Checks

Tender Reference Number: itt_940

Date: **19 June 2023**

Department for Energy Security and Net Zero
3-8 Whitehall Place, London, SW1A
London
SW1A 2EG

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Non-Domestic Energy Schemes Compliance Checks

Specification of Requirements

Key Players

The terminology for the key players listed below will be used interchangeably throughout this specification.

Key player	Detail
The Department	The Department for Energy Security and Net Zero (DESNZ).
Service Provider	A commercial partner contracted by DESNZ to audit energy suppliers for the purpose of ensuring compliance with the Energy Bills Discount Scheme (EBDS)
Energy supplier	Energy company (GB or NI) operating under the EBDS scheme.

1. Introduction

- 1.1. The Department for Energy Security & Net Zero (DESNZ) was created in February 2023 from the Department for Business, Energy & Industrial Strategy (BEIS). DESNZ incorporates the following groups from BEIS: Energy Infrastructure, Energy Markets and Supply, Net Zero Building, and Industry and Net Zero, International and Nuclear.

- 1.2. DESNZ provides dedicated leadership focused on delivering security of energy supply, ensuring properly functioning markets, greater energy efficiency and seizing the opportunities of Net Zero to lead the world in new green industries.
- 1.3. This year, the department will focus on easing the cost of living and delivering financial security by bringing down energy bills and keeping them down - better insulating consumers from external impacts. Longer term objectives include ensuring properly functioning energy markets; coordinating Net Zero objectives across government; and bringing external delivery expertise to bear on its portfolio of major projects.

Further information of the responsibilities and priority outcomes can be found on the [gov.uk](https://www.gov.uk) page.

- 1.4. This ITT covers the Energy Bills Discount Scheme (EBDS), which supports non-domestic energy users and customers supplied by Heat Network suppliers and non-domestic consumers who are off the gas grid using alternative fuels.

2. [Background](#)

2.1. [Energy Bills Discount Scheme](#)

- 2.1.1. The new Energy Bills Discount Scheme (EBDS) provides energy bill relief for non-domestic customers in Great Britain and Northern Ireland. It will strike a balance between supporting businesses over the next 12 months and limiting taxpayer's exposure to volatile energy markets. Discounts will be applied to energy usage between 1 April 2023 to 31 March 2024. EBDS is available to everyone on a non-domestic contract including businesses, voluntary sector organisations, such as charities, public sector organisations such as schools, hospitals, and care homes who are on existing fixed price contracts that were agreed on or after 1st December 2021.
- 2.1.2. The EBDS recognises that some non-domestic energy users in Great Britain and Northern Ireland are particularly vulnerable to high energy prices due to their energy intensive and trade exposure, (referred to as Energy and Trade Intensive Industries or ETIIs), these sectors will receive a higher level of support, subject to a maximum discount. This discount will only apply to 70% of energy volumes. The EBDS will also require energy suppliers to pass on EBDS discounts to Qualifying heat Suppliers which have at least one domestic customer.

Further details for the EBDS scheme can be found here: <https://www.gov.uk/guidance/energy-bills-discount-scheme>

2.2. [EBDS: Non-Standard Cases](#)

- 2.2.1. Equivalent support is also provided for certain non-domestic customers in Great Britain and Northern Ireland, that consume gas (that is, natural gas or biomethane) and/or electricity supplied by wire or pipe that has not come to them via a licensed gas or electricity, for which they pay a price that is pegged to wholesale energy prices.

2.2.2. Support is calculated as the difference between the wholesale price associated with an energy contract (the Wholesale Related Price) and the price threshold. The way that the Wholesale Related Price is determined to calculate the amount of support a customer receives depends on the customer's overall energy consumption. Eligible customers will be split into two categories:

2.2.2.1. Lower Consumption Customers

- i. Those who are expected to consume less than 10GWh electricity per annum and/or 30GWh per annum for gas
- ii. For these customers, the Wholesale Reference Price is a published by DESNZ that is used to deem the wholesale element of the non-standard cases' contract price

2.2.3. Other Customers

- i. The Wholesale Related Price for customers whose consumption is expected to exceed the 10GWh and 30GWh thresholds will be calculated on an individual basis, based on "actual", rather than "deemed" values.

For further information, please visit: [EBDS Non-Standard Cases Guidance](#)

2.3. Non-Domestic Alternative Fuel Payment

2.3.1. The Non-Domestic Alternative Fuel Payments (ND AFP) also forms part of the wider package for energy consumers. It provided a payment of £150 to non-domestic consumers who are off the gas grid and use alternative fuels in Great Britain. In Northern Ireland a payment of £150 was provided to all non-domestic customers due to difficulties with data quality. High users of kerosene heating oil were able to apply for an additional payment.

2.3.2. ND AFP provided support to non-domestic organisations through the following payment models:

- 2.3.2.1. A £150 flat payment for eligible customers, via their electricity supplier. The final tranche of payments was made week commencing 24th April 2023. £65.5 million has been dispersed to 51 energy suppliers. For flat payments, all reconciliation and financial re-imbursement will be performed in-house by the Business Investment and Grants Directorate (BIGD) and will be completed by August 2023.
- 2.3.2.2. High users of heating oil were invited to make an application to the top-up fund from 20th March – 28th April 2023, if they were in receipt of over 10,000 litres per building per year. Applications were managed by a third-party delivery partner (Arvato), with validated claims paid directly by the Department of Energy Security and Net Zero. There were 4 tiers of support, based on usage, customers will receive either £750, £1950, £5,800 or £0.07 per litre for customers using over 150,000 litres of kerosene. Customers without an electricity supplier were invited to make an application via the same application portal for their £150 flat payment. The forecasted total for disbursement is £3 million inclusive of c.£823,000 for contingency.

- 2.3.2.3. Customers that were unable to receive a £150 payment automatically (for example, because they did not have an electricity supplier) were able to apply for this. The delivery mechanism was on the back of the Top-Up scheme utilising the same delivery partner.

For further information on the scheme, please visit: [Non-Domestic Alternative Fuel Payment Guidance](#)

2.4. Legislation

2.4.1. Energy Bills Discount Scheme

- 2.4.1.1. The [Energy Prices Act 2022](#) provides Government with powers to ensure scheme benefits of EBDS are passed on to consumers and provide for an effective compliance and enforcement regime. The Energy Bills Discount Scheme is set out further in rules and regulations made under this Act.
- 2.4.1.2. The scheme legislation imposes a duty on energy suppliers to pass on cost savings to eligible business and for energy suppliers to provide information and open their books for compliance assessments. This includes:
- i. the duty for energy suppliers to identify eligible customers;
 - ii. the duty for energy suppliers to calculate the applicable price discount for each eligible customer unless the customer opts not to benefit from the scheme discount;
 - iii. the possibility for energy suppliers to recover the discounts provided by aggregating them across each energy suppliers' portfolio, and to claim the respective amounts back from the Department (the discount claim);

Further information is available in the EBDS scheme rules:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1153315/EBDS-GB-Rules-20230426.pdfhttps://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1152304/EBDS-NSC-Scheme-Terms-final-web-version.pdf

- 2.4.1.3. The claim will require the energy suppliers to have declared the accuracy of the claim within their organisation. The Department's internal checks and procedures are in place to ensure the energy suppliers operate within the intentions of the scheme, to minimise errors or omissions and to safeguard the scheme.

2.4.2. Energy Bills Discount Scheme – Non-Standard Cases

- 2.4.2.1. Within the non-standard cases legislation, energy suppliers are expected to:

- i. Provide each of its customers a just and reasonable pass-through amount.
- ii. Calculate a pass-through amount which should consider situations where customers are eligible for a portion of a period.
- iii. Notify customers in writing that the scheme benefit has been passed on and the amount of the benefit provided.

- 2.4.2.2. Enforcements have been put in place for energy suppliers who fail to comply with the above the expectations.

For further information, please visit:

<https://www.legislation.gov.uk/ukxi/2023/464/introduction/made>
<https://www.legislation.gov.uk/ukxi/2023/464/introduction/made>

2.4.3. Non-Domestic Alternative Fuel Payments

- 2.4.3.1. The Non-Domestic Alternative Fuel Payment Pass through Requirement 2023 and Amendment legislation <https://www.legislation.gov.uk/ukxi/2023/188/regulation/5/made> sets out legislation in relation to Non-Domestic Alternative Fuel Payments

3. Scope of the Contract

3.1. Energy Bills Discount Scheme

- 3.1.1.** The overarching scope of this contract is to provide DESNZ with checks and assurance to identify and address errors, non-compliance, and fraud within the EBDS. The **guiding principle is to achieve full compliance for the scheme**, where the successful Service Provider will work with energy suppliers to help ensure EBDS discounts are accurately calculated and applied during the lifecycle of the scheme.
- 3.1.2.** Pre-scheme preparation and pre-payment checks have already been undertaken by DESNZ. The scope of the work to be performed by the Service Provider for this tender is i) Service Provider onboarding, iii) post-payment checks and iv) ETII post-certification checks.

Pre-scheme preparation (Completed by DESNZ)

- 3.1.3.** Pre-scheme preparation was carried out by the Department to gauge how energy suppliers were prepared and equipped to participate in the scheme. This included:
- Supplier readiness assessments
 - Checks on energy supplier bank details
 - Checks on energy supplier registration details

- 3.1.4.** The successful Service Provider will be required to review and refresh existing processes and methodology during the onboarding phase, whilst also engaging with energy suppliers.

Pre-payment checks (Completed by DESNZ)

- 3.1.5.** The pre-payment check procedure is intended to identify claim inconsistencies, and where such identification has been made, DESNZ undertakes direct bilateral engagement with energy suppliers to strive to address potential claim failures and adjust claims, where necessary.
- 3.1.6.** Under the scheme rules, energy suppliers are required to upload claims to:
- 3.1.6.1. Recover aggregated amounts of discounts provided to their respective scheme eligible end-user portfolio, and
 - 3.1.6.2. Adjust previously made claims (or to anticipate volumes to be delivered in future) as and when estimated energy deliveries are being reconciled.
- 3.1.7.** The department has performed its own compliance checks and engagement but recognise that this will have limited insight into:
- 3.1.7.1. Whether energy suppliers are passing on the discount to customers
 - 3.1.7.2. Whether customers claiming under the ETII scheme are eligible
 - 3.1.7.3. How energy suppliers are calculating the discount at a contract level
 - 3.1.7.4. The contractual arrangements energy suppliers have with their customers
 - 3.1.7.5. How energy suppliers will be ensuring estimated data submitted under the scheme is as accurate as possible, building on their normal processes for ensuring accurate energy consumption estimation and reconciliation over time and under different tariffs.

Post-payment checks (Service Provider to complete)

- 3.1.8.** Post-payment checks aim to ensure the correct discounts have been applied to the correct energy suppliers and that the customers have received payment. Post-payment checks include:
- 3.1.8.1. Checking for inconsistencies or errors identified in the pre-payment checks
 - 3.1.8.2. Discount application checks
 - 3.1.8.3. Data validation checks
 - 3.1.8.4. Billing Control Checks
 - 3.1.8.5. Additional investigation checks (if required)
 - 3.1.8.6. Dispute resolution (if required)
- 3.1.9.** The successful Service Provider will be required to review and refresh existing processes and methodology during the onboarding phase, whilst also engaging with energy suppliers.

ETII post-certification checks (Service Provider to complete)

- 3.1.10.** ETII post-certification checks ensure the compliance of the ETII applicants (rather than checks on the suppliers themselves) to the eligibility criteria.

3.2. Non-Standard Cases

- 3.2.1.** Assurance for non-standard cases post-payment checks is also part of the scope of this contract. These are detailed in section 4.2 of this tender document.
- 3.2.2.** Pre-payment checks for non-standard cases are not part of this tender and will be performed separately.

3.3. Non-Domestic Alternative Fuel Payment

- 3.3.1.** Assurance for all ND AFP aims to ensure payments have been delivered in line with the eligibility conditions for the scheme, and to ensure the effective management of public money.

3.4. In Scope and Out of Scope

- 3.4.1.** For clarity, the table below provides a summary of what is expected from the successful Service Provider at each compliance stage.

Area of Compliance	Service Provider's Responsibility	DESNZ's Responsibility
3.1. i) Service Provider onboarding	- Review and refresh existing processes and methodology developed by the DESNZ during the EBRs scheme [supplied in Annex C] - Support energy supplier engagement via Q&A sessions and bilateral engagement to reinforce key topics such as discount calculations or introduce new legislation such as the treatment of ETIs have been planned to improve supplier readiness	- Provide a full list of eligible energy suppliers that are expected to have claimed under the scheme upon award of the contract - Perform checks on energy supplier bank details by UKSBS - Perform checks on energy supplier registration details e.g., licence details and utilising Cabinet Office's Spotlight tool to undertake automatic company finance and governance checks - Implement pre-payment validation checks that will seek to mitigate any errors or omissions and potentially fraudulent activity
3.1. ii) EBDS pre-payment checks	No Service Provider activity required for pre-payment checks	- Check the eligibility of each energy supplier - Run automated "red flag signals" on data provided by energy suppliers

		where specific claim compliance rules have not been met • Determine whether or not to pay the discount recovery claims.
3.1. iii) EBDS post-payment checks	• Engage with energy suppliers, as required, to assist in ensuring that the energy suppliers understand all requirements and ensuring all requested data is supplied in the correct format and within the required timelines. Such assistance to include, but is not limited to: – Emails and telephone calls as required to ensure clear communications – Review of submitted data and the provision of feedback where incomplete data or errors have been submitted, to include omissions, formatting etc. – Work with the energy suppliers to understand any problems they are encountering and to work positively with them to resolve where possible – Clear communications with DESNZ on progress and quality of data submission, seeking guidance where the energy supplier is non-compliant or non-responsive relating to data submission • Check the classification of contracts that energy suppliers have disclosed reflect the contractual arrangements they have agreed with their customers • Perform price discount application checks that will include testing samples of energy suppliers' appli-	• Use output from EBDS post payment checks to follow up with specific energy suppliers, working with the Service Provider towards the objective of achieving full compliance • Undertake or commission any follow up investigation (see section 5)

	cation of the discount across different customer contract types, ensuring customer bills and contracts align with the discount methodology applied and the amounts claimed under the scheme • Check for manipulation including for nuanced discounting behaviour such as energy suppliers trying to retain or share discounts, or energy suppliers discriminating between customer groups by over-/under-discounting some consumers • Produce reports to DESNZ detailing the compliance of energy suppliers	
3.1. <u>iv) ETII post-certification checks</u>	• Perform ETII customer eligibility checks for customers claiming additional discounts under the ETII scheme	
3.2. Non-Standard Cases	• For Non-Standard Cases, testing on a distinct list of energy providers and/or end user applicants that is separate to those being checked under the discount application and data validation requirements.	• The Department will provide an additional list of energy providers and/or end users, should this requirement be triggered.
3.3. Non-Domestic Alternative Fuel Payment	• For Non-Domestic Alternative Fuel Payment (ND AFP) Undertake detailed assurance checks on a subset of payments delivered to customers to assess whether appropriate and robust processes were in place to complete the minimum assurance for operating ND AFP	• The Department will provide an additional list of energy suppliers and/or end users

4. Detailed Requirements

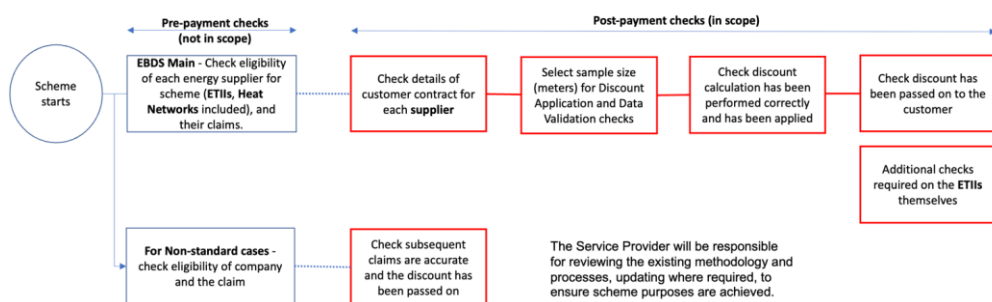
4.1. **Energy Bills Discount Scheme**

The work outlined in this specification is intended to **address potential for error, fraud and minimise misuse of the scheme both during the scheme and at the post-payment stage** with particular focus on the respective elements outlined below.

4.1.1.1. Service Provider Onboarding

In the below diagram, boxes in red are in scope of this contract, boxes in blue are out of scope.

- 4.1.1.1.1. The Service Provider will be responsible for reviewing the existing methodology and processes (with some examples provided in Annex C) updating where required to ensure the post-payment checks achieve the above purpose. We have included a high-level process flow below to describe the anticipated compliance process, with more



detail and the expected outputs provided in this section.

In the above diagram, boxes in red are in scope of this contract, boxes in blue are out of scope.

- 4.1.1.2. Service Providers will benefit from methodology and the billing control compliance checks that DESNZ has performed during EBRs, which will be readily available to the Service Provider during the onboarding phase. In addition, relevant details of ongoing engagement with energy suppliers as part of the EBRs scheme will be made available during the onboarding phase, where appropriate.
- 4.1.1.3. Energy suppliers are accustomed to providing the required information to Service Providers in order to facilitate the progress of checks, as per the EBRs. It is anticipated that successful Providers will encounter minimal difficulties engaging with the majority of energy suppliers. In cases where Providers experience issues with energy suppliers, DESNZ invites the Provider to share their perspective on how they would address and mitigate these challenges.

4.1.2. Post-Payment checks

Contract eligibility

- 4.1.2.1. The purpose of the customer contract check will be to ensure that energy suppliers have identified customers who meet scheme rules and legislation and have excluded customers who fall outside the requirements.

Discount Application

- 4.1.2.2. The purpose of the discount application check will be to check discount calculations and methodology used by energy suppliers are in line with scheme rules and legislation, making certain that discounts reflect the classification of contracts that energy suppliers have disclosed. The Service Provider will perform price discount application checks that will include testing samples of energy suppliers' application of the discount across **different customer contract types, ensuring customer bills and contracts align with the discount methodology applied and the amounts claimed under the scheme.**
- 4.1.2.3. This shall include checks of the discount applied, as well as the correct use of the Department's EBDS discount publications, calculation of the wholesale element from which the discount needs to be deducted for both GB and NI energy suppliers where appropriate (e.g. not required for fixed contracts). In addition, this check will need to be undertaken for customers who have applied under the ETII and Heat Networks schemes as well.

4.1.2.4. Detailed Requirements

Ref	Discount Application Requirements	Key Outputs
1	On a sampling basis, provide evidence to the Department that A) energy suppliers have correctly identified customers meeting scheme rules and legislation and have excluded customers who fall outside the requirements B) all energy suppliers are accurately and consistently applying the discount calculation correctly (including application of specific ETII discounts) and are not misstating contractual arrangements with their customers to abuse the scheme	• 1 x Discount Application and Data Validation Summary report per round providing an overview of post payment check compliance levels • 1 x Discount Application and Data validation meter level report per round detailing compliance or non-compliance for each meter, per supplier, in scope • Meeting notes, working documents and evidence provided by supplier (as detailed in section 4.4.2.)
2	Detail additional billing controls the energy supplier has put in place to meet the demands of the relevant EBDS scheme and evaluate the effectiveness of these checks, along with overall risk of error or fraud	• 1 x Summary Additional EBDS Billing Controls report with evaluation for each energy supplier

3	Perform post-payment checks on energy suppliers via direct engagement such as with answering energy supplier queries on post-payment compliance where required, participating and contributing to the Department's Q&A sessions as required, and with bilateral meetings to address EBDS discount queries more generally, and to address tariff categorisation questions in particular.	• Include overall observations from engagement as part of a narrative summarising compliance levels within the Discount Application and Data validation Summary report • Include any energy supplier specific information relevant to the detailed report by energy supplier within the Discount Application and Data validation Summary report
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Data Validation

- 4.1.2.5. The purpose of the data validation check is to build evidence indicating whether energy suppliers' data submissions are accurate and honest, and to rectify instances where energy suppliers have submitted inaccurate data. This will include a billing control check, which will be completed at the start of the contract. As this billing control check has been carried out during EBRS already, this will focus on the additional processes and controls required by the EBDS scheme, and which will validate governance and billing control mechanisms put in place by all energy suppliers to ensure they comply with the discounts in EBDS.

4.1.2.6. Detailed Requirements

Ref	Data Validation Requirements	Key Outputs
1	Detail additional billing controls the energy supplier has put in place to calculate and manage billing data, including unbilled estimated consumption data which they will be allowed to claim for under the rules of the scheme	• Incorporate evidence into Additional EBDS Billing control report
2	On a sampling basis, as detailed within section 4.1.3. (Frequency and Timing of post-payment checks) below, provide evidence to the Department that the data submitted to the Department, as part of the energy supplier's claim, reflects the data used to bill and invoice their customers and actual correspondence with customers	• Incorporate evidence from data validation checks into the Discount Application and Data validation Summary report for each cycle of checks (i.e. a total of 2 reports) • Incorporate detailing levels of compliance or non-compliance for each meter in scope into

		the Discount Application and Data validation Summary report for each cycle.
3	Check the classification of contracts that energy suppliers have disclosed reflect the contractual arrangements they have signed with their customers (Heat Networks suppliers excluded from this check). A data validation check will include at a minimum: ○ Testing an energy suppliers' meter level consumption data matches the respective customer bill(s) and invoice(s) ○ Testing the address an energy supplier discloses for a customer matches the respective customer bill(s)	• Incorporate evidence from data validation checks into the Discount Application and Data validation Summary report for each cycle of checks • Incorporate details of levels of compliance or non-compliance for each meter in scope into the Discount Application and Data validation Summary report for each cycle of checks

ETII Customer Eligibility checks

- 4.1.2.7. As part of EBDS, we require ETII eligibility checks to be undertaken to ensure those businesses receiving the discount are eligible under the scheme.
- 4.1.2.8. Businesses will have their eligibility approved using the online application on gov.uk. This online process confirms whether the business meet the requirements to be an eligible ETII, and in particular provides an initial check that at least 50% of the business' revenue is generated from UK-based activity within eligible Standard Industrial Classification (SIC) code sectors (available from the link above).
- 4.1.2.9. Further to this initial eligibility check, if DESNZ has reason to believe that a business has obtained ETII certification fraudulently, the eligibility check can be repeated. It may be however that repeating the check still does not give a clear outcome. For example repeating the checks may rely in part on declarations from the business about whether 50% of their revenue is from activity within an eligible SIC code. In this scenario, this additional ETII eligibility check would be used to look into the case in more detail, likely require a meeting and further evidence to be provided from the business. These checks will include using a range of resources including (but not limited to) Companies House SIC classification, company report and accounts or management information to ensure that the eligibility criteria have been satisfied.
- 4.1.2.10. Therefore these ETII eligibility checks will differ from the other EBDS checks detailed above in two ways in particular:

- i. These eligibility checks will be carried out on the ETIs themselves, not energy suppliers. This aspect of the contract will therefore require direct engagement with a range of businesses in the UK.
- ii. These checks will only be used if needed. Unlike the EBDS checks explained above on energy suppliers which will run to a timetable, these checks will only happen in the scenario where DESNZ has reason to believe that further checks are required on a particular ETI or group of ETIs.

4.1.2.11. These checks might be needed at any point during the scheme. Eligible ETIs have 90 days from the scheme introduction date of 26 April 2023 to apply for the higher level of support. New organisations or newly eligible organisations will have 90 days to apply from the date at which they become eligible. Therefore there will be new ETIs coming into the scheme throughout, and DESNZ may receive new evidence about potentially fraudulent activity at any time.

4.1.3. Data requirements for post-payment checks

Additional EBDS Billing Controls

- 4.1.3.1. Based on feedback from supplier regarding additional processes and controls
- 4.1.3.2. Unbilled estimated consumption data used in discount calculations

Discount Application

- 4.1.3.3. It is envisaged that at least the following information will need to be requested under powers granted by the EBDS legislation in order to perform discount application tests for a sample:
 - 4.1.3.3.1. Relevant energy price and discount calculations for a customer
 - 4.1.3.3.2. Calculation of the respective invoice discount amount
 - 4.1.3.3.3. Invoice(s) and customer bill(s) that include the applied discount
 - 4.1.3.3.4. corresponding customer communications
 - 4.1.3.3.5. Evidence to support the supplier's weighted average price calculations, where relevant

Data Validation

- 4.1.3.4. For Data Validation, the following information will need to be requested under powers granted by the EBDS legislation in order to perform discount application tests for a sample:
 - 4.1.3.4.1. Invoice(s) and customer bill(s) that include the energy consumed

- 4.1.3.5. The Department will provide a full list of eligible energy suppliers that are expected to have claimed under the scheme upon award of the contract. This list may change during the scheme as more energy suppliers claim under the scheme, new energy suppliers enter the market, energy suppliers merge or go insolvent, as well as for any other valid reason. DESNZ expect that the number of eligible energy suppliers on the scheme is likely to be around 65-70 which include a licenced gas and electric energy suppliers who are regulated by Ofgem and Uregni.

Detailed Activities related to each EBDS Data Collection Round (Discount Application & Data Validation Checks)

- 4.1.3.6. See **Annex F** for detailed information.

ETII Customer Eligibility checks

- 4.1.3.7. Relevant energy price and discount calculations for a customer
- 4.1.3.8. Evidence that the customer is eligible for the ETII discount applied

4.1.4. Frequency and Timing of post-payment checks

- 4.1.4.1. We expect discount application and data validation checks to happen concurrently and be applied two times to all GB and NI energy suppliers who claim under the scheme. It is anticipated that there will need to be some follow up from the initial check to help energy suppliers address areas of non-compliance. A third, more targeted check will occur after the second check and will focus on those suppliers deemed non-compliant in the first and second rounds post payment checks. The date for this third check will be confirmed during onboarding. In addition, a Billing Control check has been included.
- 4.1.4.2. For the first and second application rounds of checks, the Service Provider will be expected to test around 85 suppliers, based upon EBRS current activity plus contingency. Sample size details included within the table below, to cover the GB and NI electricity and gas markets, and all energy suppliers that have claimed under the scheme will need to be tested for electricity and gas, where applicable.

Time Period	Compliance Check	Sample size
1 x Additional EBDS Billing Control check (October 2023)	Review and assess energy suppliers' additional billing control mechanisms which have been put in place for the EBDS scheme	All energy suppliers in scope
1 x First round check between (September – October 2023)	1st Discount Application and Data Validation check for billing period June - July 2023	The Service Provider will be expected to test around 85 suppliers, based upon EBRS

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		current activity plus contingency. The sample size based upon 85 participating suppliers is as follows: For Discount Application checks an average of 40 checks per supplier will be applied (40 x 85 = 3,400) of either electricity or gas customers). For Data Validation Checks an average of 20 checks per supplier will be applied (20 x 85 = 1,700) of either electricity or gas customers. Total checks (as above): Discount Application = 3,400. Data Validation = 1,700. Total of both Discount Application and Data Validation Checks = 5,100.
11 x Follow up check – before February	Follow up reasons for non-compliance in first round of checks performed or perform rechecks where required	It is assumed c30% of energy suppliers will require follow up activity ~ 20 suppliers
1 x Second round check between (February – March 2024)	2nd Discount Application check and Data Validation for period January - February 2024	The Service Provider will be expected to test around 85 suppliers, based upon EBRs current activity plus contingency. The sample size based upon 85 participating suppliers is as follows: For Discount Application checks an average of 40 checks per supplier will be applied (40 x 85 = 3,400) of either electricity or gas customers).

		For Data Validation Checks an average of 20 checks per supplier will be applied (20 x 85 = 1,700) of either electricity or gas customers. Total checks (as above): Discount Application = 3,400. Data Validation = 1,700. Total of both Discount Application and Data Validation Checks = 5,100.
Targeted check (April 2024)	A targeted check on previously non-compliant energy suppliers to review progress and current compliance	Energy suppliers identified in rounds 1 and 2 ~ 20 suppliers
ETII customer eligibility checks Throughout contract as required	Specific checks to confirm: Customers eligibility for ETII element of the scheme throughout the period of the scheme	Anticipated low volume (sample size will be determined in consultation with the Department)

4.1.5. Targeting

Additional EBDS Billing Controls

- 4.1.5.1. Additional billing controls must be tested for all suppliers.

Discount Application and Data Validation

- 4.1.5.2. The following tariff types must all be tested for each energy supplier and for both electricity and gas customers, where applicable:
- i. "Fixed tariff" electricity and gas customer
 - ii. "Variable tariff" electricity and gas customer
 - iii. "Flex tariff" electricity and gas customer
 - iv. "Deemed" / "Out of contract" electricity and gas customer
 - v. "Day ahead tariff" electricity and gas customer (NI only)
 - vi. Additional customer choice(s) where it is felt that customer or tariff particularities merit attention and represent a case not (entirely) covered by the technical document or instructions

4.1.5.3. In developing a sampling methodology, priority should be given to:

- i. Energy consumers who represent the largest proportion of the non-domestic market and have claimed under the scheme
- ii. Flex tariff customers
- iii. Deemed/Out of contract customers
- iv. “Day ahead” tariff customers (NI only)
- v. Energy suppliers’ final data submissions (June, – July 2023 check only) (For data validation only) and previous lessons learned from sampling approaches in the EBRs scheme.

ETII customer eligibility checks

4.1.5.4. As this a relatively low volume of eligibility checks are anticipated, targeting approach will be agreed at the contract start.

4.1.6. Sampling

4.1.6.1. The sample sizes suggested aim to balance mitigating risk to the scheme with not placing too much demand on energy suppliers, who will be required to provide the necessary evidence to perform these checks. The sample size is based upon the creation of a pool of checks to be undertaken across all participating suppliers.

As an example only, based upon 85 participating suppliers, the size of the sample pool (per round) would equate to an average of 40 checks per participating supplier for Discount Application Checks and an average of 20 checks per participating supplier for Data Validation Checks. For example, the sample pool size per round, assuming 85 participating energy companies would equate to: Discount Application checks = $(85 \times 40) = 3,400$. Data Validation Checks = $(85 \times 20) = 1,700$. **Total of both Discount Application and Data Validation Checks to be included within sample size pool = 5,100 per round.**

The actual allocation of the total sample pool across the participation suppliers will be based upon the assessment of risk and the volume of meters managed per participating energy supplier, in conjunction with any other relevant factors.

Additional EBDs Billing Controls

4.1.6.2. See ‘EBDS Billing Controls’ in 4.1.4.

Discount Application

4.1.6.3. For the first application of the check, all samples will need to be randomly generated by the Service Provider. The Service Provider will be able to randomly generate their

samples from the meter level data that the Department will provide to the Service Provider and the check will need to be performed on cumulative data which reflects all claims the energy supplier has made for the sampled meter point to date. For the first check this will likely be on cumulative data from the first claim window in the scheme to the 14th of June 2023. Where energy suppliers are identified as GB and NI energy suppliers in the list provided by the Department, the Supplier should treat these as separate samples and test them independently. Under no circumstances should samples selected be at the discretion of the energy supplier.

- 4.1.6.4. Where scheme compliance errors or concerns of non-compliant behaviour are identified in the first application of the check, sample sizes may need to be increased for those energy suppliers in the second application of the check and the Department will work closely with the Supplier to scope these sample sizes.

Data Validation

- 4.1.6.5. For the first application of the check, all samples will need to be randomly generated by the Service Provider. The Service Provider will be able to randomly generate their samples from the meter level data that the Department will provide to the Supplier and the check will need to be performed on cumulative data which reflects all claims the energy supplier has made for the sampled meter point to date. For the first check this will likely be on cumulative data from the first claim window in the scheme to the 14th of June 2023. Where energy suppliers are identified as GB and NI energy suppliers in the list provided by the Department, the Service Provider should treat these as separate samples and test them independently. Under no circumstances should samples selected be at the discretion of the energy supplier.
- 4.1.6.6. For the subsequent applications of the check, the Department will provide a more bespoke sample methodology for each energy supplier. This will likely be targeted on specific meter points or energy consumers, rather than randomly generated. The Department will work with the Supplier to ensure this methodology is defined within a reasonable timeframe for the Supplier to undertake the check within the dates set out above. If the Department identifies risks with specific energy suppliers, the Department may require the Supplier to prioritise re-performing this check for those energy suppliers. In this instance, the Department will require the check to be performed for the given energy supplier within two weeks and the appropriate sample size will be agreed with the Service Provider.

ETII customer eligibility checks

- 4.1.6.7. ETIs may apply for the discount throughout the scheme lifecycle whenever they become eligible. As this a relatively low volume of eligibility checks are anticipated, sampling approach will be agreed at the contract start.

4.1.7. Outputs

Additional EBDS Billing Controls Check

- 4.1.7.1. The Additional EBDS Billing Controls check report, will contain the following as a minimum:

- 4.1.7.1.1. Additional controls every energy supplier has put in place to meet the demands of the scheme, including controls that ensure the energy supplier is aggregating customer discount calculations accurately before making a claim.

Discount application and Data Validation

- 4.1.7.2. For both the Discount application and Data validation checks, we expect a combined report (covering Discount Application and Data Validation checks) to be completed for each of the 2 rounds of checks to be undertaken within the contract period by the Service Provider. The outcome of post report follow-up exercises is to be included in an updated version of each report (one combined initial report to be issued followed by an updated combined report for each round of checks).

- 4.1.7.3. The first summary reports will be submitted by end of October 2023 at the latest and the second to be submitted by end of March 2024.

- 4.1.7.4. For the Discount Application, the report will contain the following as a minimum:

- i. The discrepancies identified through performing the check and how that impacts the supplier's compliance with the EBDS regulations.
- ii. An opinion on the reason for discrepancies and the level of risk this poses to the Department's delivery of the scheme, including an assessment of fraud risk.
- iii. Provide levels of compliance or non-compliance for each meter in scope.

- 4.1.7.5. For Data Validation, the summary report will contain at a minimum:

- i. The discrepancies identified through performing the check and how this impacts the supplier's compliance with the EBDS regulations.
- ii. An opinion on the reason for discrepancies and the level of risk this poses to the Department's delivery of the scheme, including an assessment of fraud risk.

- iii. If an energy supplier has submitted unbilled estimates under the scheme, the methodology the energy supplier has applied to calculate those estimates.
- iv. Inquiry into and understanding of an energy supplier's energy use over time by customer reconciliation process, including billing controls which ensure accurate/consistent identification of eligible energy use.

ETII customer eligibility checks

- 4.1.7.6. A report detailing the customer eligibility checks undertaken and status of customer i.e., compliant or non-compliant.
- 4.1.7.7. Any analysis required including reasons for compliance or non-compliance with eligibility requirements.
- 4.1.7.8. Any follow-up required including recovery of discount incorrectly applied (where applicable).

4.2. Non-Standard Cases

Post-Payment check required

4.2.1. Purpose

- 4.2.1.1. Through the design of the scheme, the Department have identified several energy providers and end users that are supplied energy via license exempt energy providers, these are classed as non-standard cases. They are often complex arrangements that require additional checks to ensure they align with eligibility.
- 4.2.1.2. Unlike the standard scheme, under Non-Standard Cases there is the potential for end users to apply and be provided with relief if their energy provider is unwilling or unable to apply.
- 4.2.1.3. NSCs will require post-payment checks only, as detailed pre-payment checks are being carried out separately.
- 4.2.1.4. This requirement would likely include testing on a distinct list of energy providers and/or end user applicants that are separate to those being checked under the main scheme requirements. The Department will provide an additional list of energy providers and/or end users, should this requirement be triggered.

4.2.2. Data requirements

- 4.2.2.1. Unlike the standard scheme there is no discount applied automatically to a customer's bill, instead relief is provided after the event by a grant mechanism and is provided to the applicant. If there is a need for pass through the applicants must provide relief down the chain.

4.2.3. Relief Application

- 4.2.3.1. It is envisaged that at least the following information will need to be requested under powers granted by the NSC EBDS legislation in order to perform relief application tests for a sample:
- i. Relevant energy price and relief calculations from the QEP and subsequent end users, or any entity considered to form part of a relevant energy supply chain
 - ii. Calculation of the respective invoice relief amount and subsequent pass through if applicable
 - iii. Invoice(s), customer bill(s), credit notes and communications of relief application
 - iv. Corresponding customer communications
 - v. Ensuring the customer has received payment from QEP

4.2.4. Data Validation

- 4.2.4.1. For Data Validation, the following information will need to be requested under powers granted by the EBDS legislation in order to perform discount application tests for a sample:
- i. Invoice(s) and customer bill(s) that include the energy consumed
 - ii. Metering data if applicable
 - iii. Calculation of pass-through relief
 - iv. Communications relating to the application of pass through calculations
- 4.2.4.2. This data collection may need to take place at several places in an energy supply chain including the energy providers, customers and end users.

4.2.5. Frequency and Timing

- 4.2.5.1. These checks will be ad-hoc as and when the requirement arises. It may occur at any point within the contract with DESNZ alerting the Service Provider to the need for checks.

4.2.6. Targeting

- 4.2.6.1. The Department will provide an additional list of energy providers and/or end users, should this requirement be triggered.

4.2.7. Sampling

- 4.2.7.1. Not required. All energy providers and/or end user applications who are eligible for the check will have a compliance check completed. The list of energy providers and/ or end users will be made available to the Service Provider and checks will be completed on a Time & Materials basis.

4.2.8. Outputs

- 4.2.8.1. The output for the NSC post-payment checks will be a report comprising:
- i. An evaluation of energy-provider and/or end user fraud committed under the non-standard case elements of the scheme
 - ii. Obtain and review evidence to validate that support received under the scheme is passed on to end users
 - iii. A report supporting the Department in compiling and continuing to publish policy clarifications and exception rules in relation to complex tariff cases and scheme rules, in case a significant number of non-standard claims are identified under the scheme
 - iv. Additional compliance support in the form of procedure and checks aiming to test and validate 'non-standard' submissions and claims against methodology and requirements developed by the Department.

4.3. Non-Domestic Alternative Fuel Payment

4.3.1. Purpose

- 4.3.1.1. DESNZ also wish to appoint a Service Provider to conduct the post-payment assurance of Non-Domestic Alternative Fuel Payment. The purpose of which is to provide assurance that all ND AFP payments have been delivered in line with the eligibility conditions for the scheme, and to ensure the effective management of public money.
- 4.3.1.2. The Service Provider we are seeking to appoint will undertake detailed assurance checks on a subset of £150 payments delivered to customer accounts to assess whether appropriate and robust processes were in place to complete the minimum assurance for operating ND AFP.
- 4.3.1.3. The outcome of the post payments check exercise will be used by DESNZ to determine if a supplier has met its ND AFP obligations. Information will be shared between DESNZ, Ofgem and UREGNI to assist all parties in undertaking their functions.
- 4.3.1.4. The appointed external, independent reviewer will complete a report for each energy supplier in GB and NI. The purpose of the report is to:
- i. Complete post-payment checks for energy suppliers obligated under the ND AFP schemes. This will be for a sample size of the total c.50 suppliers in Great Britain and Northern Ireland obligated to deliver the scheme.

For flat rate payments:

- 4.3.1.5. Provide DESNZ with a report for each of the energy suppliers obligated to deliver the scheme. This will verify ND AFP flat payments against a sample of MPANs to check that payments have been made in line with ND AFP guidance: These checks will cover:
- i. The meter was an eligible meter
 - ii. Method of identifying eligible customers
 - iii. The number of non-domestic customers eligible for the £150 ND AFP on the qualifying date per supplier using the data DESNZ provided to GB electricity suppliers to identify their customers and the data provided by Northern Ireland Electricity Networks (NIEN) to NI electricity suppliers.
 - iv. The date ND AFP payments were delivered to customers
 - v. The ND AFP payment was clearly itemised on the customer bill as a discount funded by HM Government
 - vi. The value of ND AFP payments delivered by supplier
 - vii. A total number per supplier of the payments that were unable to be applied to a customer account (meter has had zero electricity consumption for 12 months etc)
 - viii. Comment on fraudulent activity and/or irregular payments
 - ix. Review the Supplier End of Scheme Report

For Top-up payments:

- 4.3.1.6. Provide DESNZ with a report which will verify that the payment process used for the top-up payment has been followed in accordance with the guidance. These checks will include verification of:
- i. Awarding process for customer eligibility checks:
 - SALESFORCE
 - a. Xoserve Check (to confirm if off gas grid)
 - b. Duplicate Check (to confirm no previous applications)
 - c. HMRC Search (confirming purchase of kerosene)
 - d. VOA and LPS search (both of these are checks on Land and Property check)
 - DESNZ
 - a. REC check (non-domestic/electricity grid check)
 - b. Spotlight Check
 - ARVATO
 - a. Caseworker Review and Decision (including customer invoice checks)
 - b. Review of Tier 4 cases to include the appropriate referrals to DESNZ

- ii. A **review** of the payment process utilised by DESNZ through UK SBS (via the portal) across all stakeholders:
 - The correct amount paid to the customer

Exceptions handling procedure

- 4.3.1.7. In a sample of reported exceptions, examine the energy supplier's records to obtain assurance that the cases could legitimately be classed as exceptions to being reasonably practical to provide the payment:
 - i. With evidence that reasonable attempts to pay had been made in line with DESNZ guidance before classing the case as an exception.

4.3.2. Data requirements

- 4.3.2.1. For the Flat payment scheme:

- i.
- ii. Calculation of the £150 credit applied to the account
- iii. Invoice(s), credit note(s) and customer bill(s) that include the £150 credit on the account
- iv. Number of £150 credit provided to pre-payment meter customer(s) via cheque
- v. corresponding customer communications

- 4.3.2.2. For the Top-up scheme:

- i. List of all applicants
- ii. Applicant details and communications
- iii. Arvato Case Files via Salesforce
- iv. UK SBS confirmation of payments

4.3.3. Frequency and Timing

- 4.3.3.1. There will be one round of post-payment assurance for the ND AFP scheme to be completed by September 2023.

4.3.4. Targeting

- 4.3.4.1. The Department will provide a list of energy providers and applicants who were part of the scheme.

4.3.5. Sampling

- 4.3.5.1. The sampling size will be 10% of total applicants for the top up scheme (c.50). Within this, it will include a proportionate sample size of all tiers within the scheme.
- 4.3.5.2. 20% of total registered suppliers for the follow-up scheme (c.10 suppliers). Service providers will be expected to select the sample size of eligible customers from these energy suppliers.

4.3.6. Outputs

Flat payment and top-up scheme

- 4.3.6.1. 1 x summary report covering both flat payments and top-up scheme
- 4.3.6.2. Within the report, the flat payment section should:
 - i. Provide commentary on any weaknesses in processes conducted by electricity Suppliers which could increase the risk of fraud and/or irregular payments.
 - ii. Proactively identify any suspected fraud, either on the part of the supplier or those parties with whom they have a contract for the delivery of ND AFP in respect of the payments process.
 - iii. Identify any irregular payments due to error or non-compliance, and detect departures from good practice that have resulted, or that may result, in suppliers requesting reimbursement for the incorrect amount.
 - iv. Provide an analysis of the process to capture flat payment edge cases via the application portal. Identifying any suspected fraud, either on the part of the electricity supplier or customer due to error or non-compliance. Check customer eligibility and verify status of application as an edge case.
- 4.3.6.3. Within the report, the top-up scheme section should:
 - i. Provide commentary on any weaknesses in scheme application process which could increase the risk of fraud and/or irregular payments.
 - ii. Proactively identify any suspected fraud, either on the part of the applicant or those parties with whom they have a contract for the delivery of ND AFP in respect of the payments process.
 - iii. Identify any irregular payments due to error or non-compliance, and detect departures from good practice that have resulted, or that may result, in applicants requesting reimbursement for the incorrect amount.

Additional information

- 4.3.6.4. The audit should present the facts and should not come to any agreement with the energy supplier being audited or give any indication of the auditor's view of the outcome of the audit.
- 4.3.6.5. After each energy supplier visit the reviewer should, by exception, flag any serious concerns with the relevant DESNZ manager. The frequency and method of these briefings to DESNZ may be altered or cancelled at the sole discretion of DESNZ. In addition, it is intended that there will be a weekly conference between the reviewer and DESNZ during the site-visit phase to discuss progress and check outcomes.

4.4. Outputs

4.4.1. Timetable

Month	Output
August 23	Onboarding and compliance checks methodology
September 23	1 x ND AFP compliance check report
October 23	1 x Billing control check 1 x Summary report for Discount Application and Data Validation 1 x Meter-level compliance report
November 23	1 x Fraud risk assessment
March 24	1 x Summary report for Discount Application and Data Validation 1 x Meter-level compliance report
April 24	TBC – Targeted Discount Application and Data Validation check
Throughout the contract	ETII Customer eligibility checks Non-Standard Cases checks

Added Post Procurement: The above timetable has been superseded. The new Timetable to be agreed at the initial mobilisation meeting.

4.4.2. Reporting

- 4.4.2.1. The Service Provider will be required to submit the following reports within the contract lifecycle:
- An initial report by 31st August 2023, detailing how the Supplier has designed the methodology for the checks which the Supplier will undertake to deliver the output requested by the Department.
 - 2 x Summary compliance reports for each round of discount application and data validation checks
 - 2 x Meter-level reports demonstrating compliance or non-compliance with legislation
 - Ad hoc reports on a Time & Materials basis if further follow-up with suppliers is necessary or further checks are required
 - Discount application and Data validation reports on an ad-hoc basis for Non-Standard Cases. See section 5.7.

- vi. A final report in April 2024, detailing all activity undertaken on the scheme, including an assessment of fraud and error present in the scheme.

4.4.3. Additional outputs

- 4.4.3.1. In addition to the outputs detailed for each check, further outputs from the work will as a minimum include the following:
 - i. A fraud risk assessment by November 2023, which evaluates fraud risks identified through the work performed under this specification. The Department will make respective fraud risk assessments available to the successful Service Provider and expects the Service Provider to evaluate and incorporate further risks identified as per the fraud evaluation requirements. The fraud risk assessment will need to be updated on an ongoing basis as work is performed under this specification.
 - ii. A weekly working group meeting with the Department's compliance team, previewing draft analysis and checks, discussing and aligning next steps and ongoing compliance activities. Key working documentation and interactions with each of the energy suppliers sampled to be maintained and handed over to DESNZ on completion of the contract (see section 4.4.2.). This will support DESNZ with understanding supplier compliance and support any required follow-up activity.

4.4.4. Approach

General

- 4.4.4.1. In producing the outputs, we expect the successful Service Provider to:
 - i. Consider learnings from pre-scheme compliance activity and pre-payment checks
 - ii. Ongoingly engage with energy suppliers/industry bodies.
 - iii. Work closely with the Department, PFSA and Cabinet Office teams to incorporate ongoing compliance insight into outputs.
 - iv. Consider and engage with broader government stakeholders including Ofgem, HM Treasury and NAO
 - v. Maintain and provide to the Department an appropriate level of working level documentation to provide a satisfactory audit trail for the Department. Examples of this include log of interactions with energy suppliers, with discussion points and actions documented and documented meeting minutes

4.4.4.2. When conducting the work outlined in this specification, the Service Provider should also consider relevant Government guidance. Below is a non-exhaustive list of examples:

- i. [Government Functional Standard GovS 013: Counter Fraud](#) (and associated additional guidance such as the Government Counter Fraud Professional Standards and Guidance Fraud Risk Assessment Core Discipline)
- ii. [Government Functional Standard GovS 015: Grants](#)
- iii. UK Government publications relating to the fraud risk management such as the Government Counter Fraud Function's document [COVID-19 Financial Support Schemes Counter Fraud Measures Toolkit](#) and the NAO document ['Good Practice Guidance: Fraud and Error'](#).

4.4.5. Documentation, Information Storage and Retention

- 4.4.5.1. The Department will own all outputs relating to all contract Deliverable (unless otherwise agreed) to be used and shared by the Department as required relating to all contract deliverables and in the operation of all relevant schemes.
- 4.4.5.2. The Service Provider will be responsible for maintaining a database of all documentation (the "Scheme Document Database") and relevant communications (with the Buyer and also with the energy suppliers) relating to this contract and all contract deliverables. The Department shall retain ownership of all content stored within the Scheme Documentation Database and will retain copies of the database within the Department systems at all times or as required, to include retention post contract expiry or termination. The Supplier shall ensure that the Scheme Document Database is up to date on a monthly basis.
- 4.4.5.3. The Service Provider is also entitled to retain a copy of the Scheme Document Database in a useable format, and relevant communications relating to this contract and all contract deliverables, for their own accounting purposes and to include records of the rationale / understanding of all decisions made by the Service Provider throughout the preparation of all Deliverables under this contract.
- 4.4.5.4. Examples of types of documentation to be stored within the Scheme Document Database includes (but not limited to):
 - i. Relevant communications with the energy suppliers, to capture all key points of discussion and data retention.
 - ii. Relevant communications with the Department, to capture all key points of discussion, decisions made, and instructions issued to the Supplier by the Department.
 - iii. Data and document submissions by energy suppliers
 - iv. All reports and outputs
 - v. Clear audit trail of calculations and decisions made during the course of preparing all contract Deliverables

4.4.6. Working with a Secondary Supplier(s)

- 4.4.6.1. At no additional cost, the Service Provider shall collaborate and engage positively with the Secondary Supplier(s) at all times, should a Secondary Supplier(s) be appointed, throughout the term of the contract, to ensure methodologies, processes and documentations to be reviewed, developed and implemented in a consistent and coordinated manner.

4.5. Service Provider Exit Strategy

- 4.5.1. The Service Provider is expected to close out compliance and give assurance to the Department that the performance of the post-payment checks has satisfied the overall guiding principle and outcomes. The strategy should ensure all relevant documentation and lessons learned are transferred to the Department. Please see also section 4.4.5 (Documentation, Information Storage and Retention) above.

5. Additional requirements

- 5.1. There are also further services which the Service Provider may be required to provide, should DESNZ detect an instance or instances of incorrect application of discount or other activity **which poses a risk to the scheme and has a material impact on the quantum of funding delivered through the scheme.**

Examples of Potential Additional Requirements

- 5.2. A number of other compliance activity aspects may emerge over time as the scheme matures, and for which the Department may require support during the contract period, and in case additional risks are being identified. An indicative scope of these is outlined below and the Department will work with the Service Provider to define the scope of the additional services required as appropriate. Potential bidders are asked to provide a schedule of daily rates per grade for the purposes of evaluation. As part of its offer, the Service Provider is asked to demonstrate available competent resource to perform such additional analysis and miscalculation, fraud and gaming response, investigation, and mitigation tasks on request during the duration of the contract.

5.3. Risk and Fraud identification (Forensic Audits)

- 5.3.1. Should a fraud risk be identified either through checks performed or through the compliance activity undertaken by the Department then at the Department's discretion a Forensic Audit may be requested by the Service Provider to be undertaken. Whether this requirement is triggered will be at the full discretion of the Department. To inform this decision, the Service Provider will along with the Department complete a risk assessment review and is expected to be available to participate in risk and fraud meetings, or to perform supplementary fraud, risk and compliance related analysis as required by and agreed with the Department.
- 5.3.2. The risk assessment review will determine the course of action which may include but is not limited to the below elements. One, multiple or all these elements could be triggered, at the Department's discretion, for a given energy supplier:
- 5.3.3. A comprehensive 'deep dive' analysis and assessment of fraud risk associated with a given energy supplier.
- 5.3.4. An audit of a given energy supplier's end-to-end compliance with the legislation throughout the scheme, including a data analytics phase. It is likely that the audit would need to be of a forensic nature to detect, assess and evidence potential fraud. The parameters of this audit would be set out in more detail if this requirement is triggered.
- 5.3.5. Facilitation of the Department to introduce centralised reporting to improve fraud intelligence across the scheme(s) and to set up a fraud working group with energy suppliers, potentially building on or benefitting from energy supplier internal fraud detection processes ('whistleblowing' et al), to share intelligence and good fraud practices.

- 5.3.6.** Quantifying and verifying, within an appropriate margin of materiality, the amount claimed fraudulently or erroneously by the energy supplier. If required, this shall include a reconciliation of discounts given on metered or estimated end-user data with claims made under the scheme.
- 5.3.7.** Supporting DESNZ's compilation of a non-compliance case which will inform a referral to Ofgem or to another relevant authority for enforcement (see enforcement section).
- 5.3.8.** Further detail will be provided in the event this element(s) of the specification is required and the Department will work with the Service Provider to set out reasonable timelines that the requirement will need to be performed within.

5.4. **Dispute Resolution**

- 5.4.1.** Under the scheme legislation, energy suppliers have the right to dispute a decision made by the Department to withhold a payment and DESNZ will need to reach a decision within 45 days of the dispute being raised. Should the Department have a significant number of live disputes or require additional support to gather evidence that can inform a decision, or for any other reason, the Department may request the Service Provider to undertake additional checks which may include but not limited to the following:

- 5.4.1.1. Scoping the evidence requirements needed to come to a dispute resolution
- 5.4.1.2. Collecting the evidence from energy suppliers
- 5.4.1.3. Providing a view on whether the evidence available supported the Department or the energy supplier's conclusions.

Addition post procurement.

The department acknowledges that the Service Provider will undertake such work indicated above when it is in accordance with the Service Provider's independence procedures.

5.5. **Scheme end reconciliation calculation**

- 5.5.1.** Due to varying customer billing cycles and the unavailability of fully metered consumption data, we expect a proportion of energy supplier claims to be submitted to the Department using estimated data. Therefore, when actual metered data is provided after energy suppliers can no longer make (adjustment) claims under the scheme, analysis will need to be undertaken to reconcile final consumption with claims already made. It will also be critical to review the consistency and approaches of individual suppliers to reconciliation of energy volumes under the scheme and how they align with the energy suppliers' standard best practices outside of the scheme.

- 5.5.2.** DESNZ will hold data, at a meter point level, on volumes of energy claimed for as well as other data that affects the discount calculation, such as contract type. Therefore, the expectation is that, on an energy supplier-by-supplier basis, a back calculation will be performed after actual data has been received and a reconciliation against claims made under the scheme will be undertaken. The Department may require the Service Provider to develop the methodology and deliver these reconciliation checks.

5.6. End-User testing

- 5.6.1.** Should the Department identify potential end user fraudulent activity then the Department may request the Service Provider to undertake additional checks which may include but not limited to the following:
- 5.6.1.1. An evaluation of user fraud committed under the scheme, including collusion with energy suppliers.
 - 5.6.1.2. Support DESNZ in requesting and validating evidence from end-users and energy suppliers as appropriate
 - 5.6.1.3. Direct engagement with end-users or energy suppliers where evidence of non-compliance is identified

5.7. EBDS Non-Standard Case Assessments

- 5.7.1.** Through the design of the scheme, the Department have identified a number of energy suppliers and end users including with complex energy supplier tariffs, self-suppliers or generators, off-grid energy suppliers and end-users, and other 'non-standard' cases.
- 5.7.2.** Below is an indicative list of activities which may be required under this section of the specification:
- 5.7.3.** An evaluation of energy-supplier and/or user fraud committed under the non-standard case elements of the scheme
- 5.7.4.** Obtain and review evidence to validate that support received under the scheme is passed on to end users
- 5.7.5.** A report supporting the Department in compiling and continuing to publish policy clarifications and exception rules in relation to complex tariff cases and scheme rules, in case a significant number of non-standard claims are identified under the scheme

- 5.7.6.** Additional compliance support in the form of procedure and checks aiming to test and validate 'non-standard' submissions and claims against methodology and requirements developed by the Department.
- 5.7.7.** Whether this requirement is triggered will be at the Department's full discretion.
- 5.7.8.** This requirement would likely include testing on a distinct list of energy suppliers that is separate to those being checked under the discount application and data validation requirements. The Department will provide an additional list of energy suppliers, should this requirement be triggered.

5.8. Enforcement and Discount Recovery Supporting Reports

- 5.8.1.** This requirement may be triggered if:
 - 5.8.1.1.** The Department identifies that an energy supplier's non-compliance warrants referral to Ofgem to enforce the case. This may be following the forensic audit requirement being triggered and the design of the forensic audit activity should be geared towards referring a case to Ofgem.
 - 5.8.1.2.** The Department identifies that it will need to take legal action to recover overpayments to energy suppliers. This may be following the forensic audit requirement being triggered and the design of the forensic audit activity should be geared towards collecting evidence that could be used to take legal and/or enforcement action.
- 5.8.2.** The Department will be responsible for legal action and referring enforcement cases to Ofgem. If DESNZ chooses to take this action, then the Service Provider will need to provide DESNZ with all information and evidence gathered by the Service Provider to support any potential action. The Service Provider will also be required to assemble the necessary information, data and evidence into a report that will support the Department's non-compliance case for enforcement action to take place via Ofgem or via the relevant legal teams. The Department will provide the Service Provider with further information as to the structure and requirement for such reports.

6. Service Levels, Key Performance Indicators and Service Credits (KPIs)

6.1. The KPIs focus will be on the following key areas. Detailed KPIs for EBDS are provided in Annex E:

- 6.1.1.** Delivery of the key milestones & reporting timelines throughout the contract duration
- 6.1.2.** Delivery of key work packages to timescales as outlined in the specification
 - 6.1.2.1. Discount Application – all requirements outlined in the specification completed within timelines
 - 6.1.2.2. Data Validation – all requirements outlined in the specification completed within timelines
 - 6.1.2.3. Non-Standard Cases - requirements outlined in the specification completed within timelines
 - 6.1.2.4. Non-Domestic Alternative Fuel Payments – all requirements outlined in the specification completed within timelines
 - 6.1.2.5. ETII Eligibility criteria checks - requirements outlined in the specification completed within timelines
- 6.1.3.** Data collection MI, & reporting – obligations on reporting requirements for all aspects of contract delivered on timely manner on agreed basis.
- 6.1.4.** Risk management – Monitoring Suppliers effectiveness at managing risks that emerge throughout delivery.
- 6.1.5.** Social value – Suppliers will be asked to propose commitments to Social Value with proposed KPI – this will be added into the final KPIs.
- 6.1.6.** Continuous Improvement - all requirements outlined in the specification completed within timelines.
- 6.1.7.** Service credits - total Service Credit value in any single monthly period shall not exceed 10% of the average of the last three months actual invoice value.

7. General Data Protection Regulation (GDPR)

7.1. The Department will be engaging with the Service Provider on the data collected by the Department for the specific purposes of the checks outlined in this specification. The contract in place between the successful Service Provider and the Department will need to define the relationship between the Department and the Service Provider(s) (as per UK General Data Protection Regulation (UK GDPR)). The Department will be securely storing data collected throughout the scheme.

7.2. The successful Service Provider will use data in the following means:

7.2.1. Energy suppliers can make claims to the Department twice a month and are required to provide data when making these claims. The successful Service Provider is expected to interrogate and conduct the required checks on this data, as outlined in this specification.

7.2.1.1. See Annex A for the claim data requirements. Please be aware that the Department intend to request further data from energy suppliers as part of its monitoring and evaluation programme. This will also be provided to external supplier(s) where it is necessary to perform the checks outlined in this specification.

7.2.2. The expectation is that the Department will facilitate secure transfer of this data to the Service Provider. The Service Provider will not have direct access to the Department's stored data. The Service Provider will primarily be ensuring the data is digested into the Supplier(s) system.

7.2.3. The successful Service Provider will also need to engage directly with energy suppliers to gather further information and data to perform the requirements in this specification.

7.2.4. The successful Service Provider will be expected to evidence findings from these checks in the output reports outlined in this specification, for the Department's consumption. The Department will have secure storage of these reports in one centralised system for the Department's EBRs policy team to be able to access and review.

7.2.5. The successful Service Provider will be expected to export and facilitate a secure transfer to the Department of any additional data collected, where required. The Service Provider will primarily be responsible for ensuring that the data is in a format that is agreed with the Department.

7.2.6. The Service Provider and the Department will need to have in place robust security measures to mitigate risks of data theft or unintended disclosure towards unauthorised third parties.

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8. Skills

- 8.1. The successful Service Provider need to evidence the following skills for the successful delivery of this contract:
- 8.1.1. Understanding of the GB and NI energy market and the suppliers in the market.
 - 8.1.2. Experience of assessing fraud and non-compliance risk in the GB and NI energy markets.
 - 8.1.3. Experience of compliance activities.
 - 8.1.4. Experience of supporting enforcement activities in the energy markets.
 - 8.1.5. Experience back-office systems and process readiness.
 - 8.1.6. Experience of customer-facing communications and support readiness.
 - 8.1.7. Expertise of forensic data analysis and investigation.
 - 8.1.8. Expertise of evaluating data and computational methods.
 - 8.1.9. Experience of data management and control.
 - 8.1.10. Experience of stakeholder management and evidence ability to work with energy suppliers to help them to achieve full compliance.
 - 8.1.11. Evidence ability to produce comprehensive and tailored output reports incorporating relevant data and technical information.

9. Constraints

- 9.1. This is a fast-moving policy where the direction is continuing development. The Department expects the Service Provider to be able to amend their approach/delivery in accordance with any future changes – in a similar manner to the Department’s flexibility with this policy.
- 9.2. Constraints on providing services: potential Service Providers must consider capacity and conflict of interests demands that may hinder supplier impartiality and provide solutions around this.
- 9.3. Differences between GB and NI: both in terms of geographical data provisions and payment processes

10. Conflict of interest

- 10.1. Interests must be declared which might conflict, or be perceived to conflict, or be an actual conflict. Contractors are to advise in their submission steps taken, or to be taken, to mitigate or eliminate the conflict when working with DESNZ. Further details included within Document 1 – Instructions for Bidders.

11. Ways of working

11.1. Multi-Supplier Framework

- 11.1.1.** Multi-Supplier framework – used as a mechanism to manage conflicts of interest. This would involve more than 1 (e.g. 2 or 3) compliance review Suppliers. All Suppliers will be appointed following the ITT.
- 11.1.2.** In this approach, there would be:
 - 11.1.2.1. Prime Supplier: Handle all energy suppliers that it does not have COIs with.
 - 11.1.2.2. Supplier 2: Handle other energy supplier cases that the lead Supplier could not work on given COI.
 - 11.1.2.3. Supplier 3 (if necessary): Handle a very small amount where conflicts have arisen for the first two suppliers.

11.2. Supplier Responsibilities

- 11.2.1.** All Suppliers will be responsible for:
 - 11.2.1.1. Reviewing and updating existing methodology for the EBDS checks based on the objectives set out in the Specification.
 - 11.2.1.2. Building new methodology for the Non-Domestic Alternative Fuel Payment and Non-Standard Cases methodology
 - 11.2.1.3. Regular communication with the Department.
 - 11.2.1.4. Positive collaboration between all suppliers
 - 11.2.1.5. Being streamlined to ensure its easier for the Department to manage audit process in general (given that the Department will be dealing with multiple vendors).
- 11.2.2.** The Department will be working closely with all Suppliers. The Department expects Suppliers to be accommodating and adopt a co-ordinated approach throughout delivery (i.e. from onboarding Suppliers, structuring the work performed under the specification, through to delivery until end of contract).
- 11.2.3.** Where there are new energy suppliers that require checking under the requirements of this specification, the Supplier(s) will need to flag to the Department new conflicts of interest that arise, and the prime supplier will be responsible for managing new conflicts of interest identified.
- 11.2.4.** Base location: remote working. On occasion, the Supplier(s) may be required to attend meetings at the Department's London office: 1 Victoria St, SW1H 0ET (Amended Post Procurement to: 3-8 Whitehall Place, London, SW1A 2EG)

12. Pricing

- 12.1.** The total value of the contract is up to £5,000,000. The budget has been further broken down due to the uncertainty around the number of expected claims and their complexity as follows.

Addition Post Procurement

The Value quoted in 12.1 has now been superseded by the contract value as detailed in the Call-Off Schedule 5 of the contract.

12.2. Mobilisation

- 12.2.1.** Mobilisation costs have been separated out from the operational costs as the Department recognises that these are largely fixed costs and are difficult to incorporate them into the operational costs efficiently.

12.3. Operational Costs

- 12.3.1.** The operational costs have been broken down into each component check for the scheme type. For the EBDS Discount Application and Data Validation checks each energy supplier the provider shall provide a fixed price per check per supplier with an assumed number of participating companies being **85**.

The sample size is based upon the creation of a pool of checks to be undertaken across all participating suppliers. Based upon the assumption of 85 participating suppliers, the size of the sample pool (per round) would equate to an average of 40 checks per participating supplier for Discount Application Checks and an average of 20 checks per participating supplier for Data Validation Checks. For example, the sample pool size per round, assuming 85 participating energy companies would equate to: Discount Application checks = $(85 \times 40) = \mathbf{3,400}$. Data Validation Checks = $(85 \times 20) = \mathbf{1,700}$. **Total of both Discount Application and Data Validation Checks to be included within sample size pool = 5,100 per round.**

The actual allocation of the total sample pool across the participation suppliers is detailed within section 12.3.2 below.

Activity and related pricing will be based upon the actual number of participating companies per round of each activity (fixed price by check type per participating energy supplier x actual number of participating energy companies).

- 12.3.2.** The allocation of the total Sample Pool (all checks) across the participating energy companies shall be based upon the relevant size of each energy company and the related number of meters per company. The Department's intention is to spread the number of checks across suppliers based on energy supplier size and risk. DESNZ shall provide instructions on the spread of samples per round at their discretion, following discussions with the Service Provider, with the Service Provider providing alternative solutions as appropriate based upon their professional knowledge and opinions.
- 12.3.3.** Should the department instruct the Supplier to use a different average sample size per participating supplier (increase or decrease) for 3.2, 3.3, and 3.6 of the Operational Costs in the Pricing schedule, the total bidder's fixed price per energy supplier shall flex upwards or downwards as required on a pro-rata basis to reflect the increase / decrease in the total volume of checks being undertaken. For clarity, should the average of 40 checks (by a type of check) increase to 60, this would result in a 50% increase in volume and the

bidder's fixed price per energy supplier shall increase accordingly. A similar reduction would be applied should sample size volumes decrease.

- 12.4. For the Non-Domestic Alternative Fuel Payment checks, the budget cap should be £500,000 and is a Fixed Price for the amount.

12.5. Time and Material

The Department also recognises that in extraordinary cases there will be additional work required within contract scope, the Department. These would be covered by the time and material costs; any spend under time and material would require pre-approval via the Work Order Spend Approval Process, a draft of which can be found in Annex D – Work Order and Payment Process.

- 12.6. Bidders are to note that there is no guaranteed minimum activity under this contract.

Added Post Procurement: The below list of Energy Suppliers has been superseded. The new list is being drawn up and will be agreed during mobilisation.

ANNEX A – EBDS Energy Suppliers

Electricity and gas suppliers	Associated legal entities
3T	
AFFECT ENERGY Ltd	
ARTO.ENERGY Ltd	
Avantigas ON Ltd	
Axpo UK Ltd	
BARBICAN POWER Ltd	
Barrow Shipping Ltd	
BES Commercial Electricity Ltd	
BGI TRADING Ltd	
BP Gas Marketing Ltd	
Brook Green Trading Ltd	
Bryt Energy	
Budget Energy	
Octopus Energy Operations Ltd	
Business Energy Solutions Ltd	
Business Power and Gas Ltd	
Centrica – British Gas	
Ceres Energy Ltd	
Click Energy	
Conrad Energy Ltd	

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CONSTELLATION GENERATION Ltd	
Co-operative Energy Ltd	
Corona Energy Retail	Corona Energy Retail 1 Ltd, Corona Energy Retail 2 Ltd, Corona Energy Retail 3 Ltd, Corona Energy Retail 4 LTD
Coulomb Energy Supply Ltd	
Crown	Crown Gas and Power Ltd, Crown Gas and Power 2 Ltd Crown Oil Ltd
Dare Power Ltd	
Delta Gas and Power Ltd	
D-ENERGi Trading Ltd	
Drax	
Dyce Energy Ltd	
E (Gas and Electricity) Ltd	
E. ON	E. ON ENERGY SOLUTIONS Ltd, E. ON Next Energy Ltd
Eco Green Management Ltd	
Economy Gas Ltd	
Ecotricity Ltd	
EDF Energy Ltd	
Edgware Energy Ltd	
Electric Ireland	
Electricity Plus Supply Ltd	
ELECTROROUTE ENERGY Ltd	
Eneco	
ENERGISE BRITAIN GAS & ELECTRIC Ltd	
ENGIE	ENGIE Gas Ltd, ENGIE Power Ltd
EPG Energy Ltd	
EQUINICITY Ltd	
ESB ENERGY Ltd	
F&S Energy Ltd	
FARMOOR ENERGY Ltd	
Farringdon Energy Ltd	
Firmus Energy	
Flexitricity Ltd	
Flogas Natural Gas NI	

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FOXGLOVE ENERGY	FOXGLOVE ENERGY SUPPLY Ltd, Foxglove Energy Supply Ltd trading as Outfox the Market
Gas Plus Supply Ltd	
Good Energy	Good Energy Ltd
GoPower	Good Energy Gas Ltd
Green Energy	Green energy (UK), GREEN ENERGY (UK) PLC
Hartree Partners Supply (UK) Ltd	
HOLBORN ENERGY Ltd	
Home Energy Trading Ltd	
IDAHO ENERGY Ltd	
LCC GROUP Ltd	
Limejump Energy Ltd	
Tomato Energy Ltd	
Marble Power Ltd	
Maxen Power Supply Ltd	
MISSISSIPPI ENERGY Ltd	
MVV Environment Services Ltd	
NEAS ENERGY Ltd	
NPOWER	NPower Commercial Gas Ltd, NPOWER Ltd, NPOWER NORTHERN Ltd, NPOWER NORTHERN SUPPLY Ltd, NPOWER YORKSHIRE Ltd, NPOWER YORKSHIRE SUPPLY Ltd
Octopus Energy Ltd	
Opal Gas Ltd	
Opus Energy	Opus Energy (Corporate) Ltd, Opus Energy Ltd, OPUS ENERGY RENEWABLES Ltd, Opus Gas Supply Ltd
Orsted Sales	ORSTED POWER SALES (UK) Ltd, Orsted Sales (UK) Ltd
Osso Energy Plc	
OVO Electricity Ltd	
P3P ENERGY SUPPLY Ltd	
Paddington Power Ltd	
PLANET 9 ENERGY Ltd	
Power NI	

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POWER4ALL Ltd	
Pozitive energy	
PX Supply Ltd	
Rebel Energy	
Regent	Regent Gas Ltd, Regent Power Ltd
RWE Supply and Trading GmbH	
Scottish Power Energy Retail Ltd	
Sefe Energy Ltd	
Sembcorp Utilities (UK) Ltd	
Shell Energy	Shell Energy Retail Ltd, Shell Energy UK Ltd
Sinq Power Ltd	
SmartestEnergy Ltd	SmartestEnergy Ltd, SmartestEnergy Business Ltd
So Energy Trading Ltd	
Square1 Energy Ltd	
Squeaky Clean Energy Ltd	
SSE Airtricity	SSE Airtricity, SSE Airtricity Gas Supply NI, SSE Energy Supply Ltd
StatKraft Markets GmbH	
Switch Business Gas and Power Ltd	
THE NUCLEAR DECOMMISSIONING AUTHORITY	
TotalEnergies Gas & Power Ltd	
TOUCAN ENERGY Ltd	
TRADELINK SOLUTIONS Ltd	
Tru Energy Ltd	
UK Gas Supply Ltd	
UK Healthcare Corporation Ltd	
UK National Gas Ltd	
UK Power Reserve Ltd	
Unify Energy Ltd	
United Gas & Power Ltd	United Gas & Power Ltd, UNITED GAS & POWER TRADING Ltd
Utilita Energy Ltd	
Valda Energy Ltd	
Vattenfall	
Verastar Ltd	
Wilton Energy Ltd	
Yu Energy Retail Ltd	

ANNEX B – Energy Bill Discount Scheme Glossary

Claims Form Data and Supporting Evidence

Claims Form Data		
Data Required	Additional Detail	Explainer
Supplier Name	The registered supplier name as per gas / electricity supplier licence	Required for application to the scheme
Supplier Short Codes or Supplier ID	Short codes covered by this claim. This is known as Supplier ID for electricity companies and SSC for gas companies	Required application to the scheme
Claim Period Start Date (delivery period being claimed for)	Provide the start date for the delivery period being claimed for. This claim form will be cumulative so this date should be fixed on 1 st October unless there were no eligible claims for that date.	This will allow us to process and reconcile claims over the 6-month claims period. And allow corrections to resulting from actual data reads as opposed to estimates. As well as properly sequence claim payments in relation to changes in the support price.
Claim Period End Date (delivery period being claimed for)	Provide the end date for the delivery period being claimed for. Moves as the scheme progresses and a cumulative picture is built. This date should always be before of the date of submission. E.g., A claim submitted on the 10 th of May should not have a claim end date of 10 th May or later.	This will allow us to process and reconcile claims over the 6-month claims period. And allow corrections to resulting from actual data reads as opposed to estimates. As well as properly sequence claim payments in relation to changes in the support price.
Supplier Registered Business Address	Supplier bank details given during the pre-registration process. If these change or differ, for instance after setting up a new bank account for use with the scheme you will need have	Required for verification, reporting and auditing.

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	these details re-authorised by DESNZ. Any changes will be applied within 14 days subject to passing security checks	
Supplier Business Bank Account Name	The name shown on the business bank account	Required for security check and payment
Business Bank Account Number	As above	Required for security check and payment
Business Bank Sort Code	As Above	Required for security check and payment
Electricity Licence Number (GB) / Registered Licence Name (NI)	Supplier licence number in GB or the register license holder name in NI	Required for pre-payment checks & payment. Can check against Ofgem list
Gas Licence Number (GB) / Registered Licence Name (NI)	Supplier licence number in GB or the register license holder name in NI	Required for pre-payment checks & payment. Can Check against Ofgem list
Total Number – of eligible contracts in the claim	Eligibility as defined within legal framework of the scheme, including a breakdown of customers that fall into the definition of Energy and Trade Intensive Industries (ETIIs) and Qualifying Heat Suppliers (QHS). Broadly the number of non-domestic customers you apply the discounts to	Statistical insight into the claim
Aggregated EAC (Eligible Customers Only) - Electricity (kWh)	This must be supplied in kWh and not in another unit. This will be for the claim period. Please ensure your units are converted if needed	Prepayment Plausibility Checks
Aggregated AQ (Eligible Customers Only) – Gas (kWh)	This must be supplied in kWh and not in another unit. This will be for the claim period. Please ensure your units are converted if needed	Prepayment Plausibility Checks
Volume of Electricity Supplied (kWh)	This must be supplied in kWh and not in another unit. This will be for the claim period. Please ensure your units are converted if needed	To check claim value
Volume of Gas Supplied (kWh)	This must be supplied in kWh and not in another unit. This will be for the claim period. Please ensure your units are converted if needed	To check claim value

Total Value of discounts applied to electricity supply	£0,0,0.00	To check claim value
Total Value of discounts applied to electricity supply up to previous claim	£0,0,0.00	This will be the total value of discounts value in your last claim
Net Value of discounts applied to electricity supply	£0,0,0.00	To check claim value. Total claim minus total claim in last submission.
Aggregate Value of discounts applied to Gas supply	£0,0,0.00	To check claim value
Total Value of discounts applied to gas supply up to previous claim	£0,0,0.00	This will be the total value of discounts value in your last claim
Net Value of discounts applied to gas supply	£0,0,0.00	To check claim value. Total claim minus total claim in last submission.

Supporting Evidence at a Meter level - CSV Format, accumulative data				
Data Required	Northern Ireland Equivalent for Data Required	CSV Header for template	Detail	Explainer
Supplier short code or Supplier ID for meter point	Same as Data Required	Supplier Short Code for meter point	The supplier short code matched to the meter point being claimed against. This is known as Supplier ID for electricity companies and SSC for gas companies	Referencing and reconciliation

Claim Period Start Date (delivery period being claimed for)	<i>Same as Data Required</i>	Claim Period Start Date (dd/mm/yyyy)	Format off DD/MM/YY YY. Against a 24-hour day and 00:00 being the start of the claim day, and 23:59 the end of the claim day.	For audit & reconciliation purposes
Claim Period End Date (delivery period being claimed for)	<i>Same as Data Required</i>	Claim Period End Date (dd/mm/yyyy)	Format off DD/MM/YY YY. Against a 24-hour day and 00:00 being the start of the claim day, and 23:59 the end of the claim day.	For audit & reconciliation purposes
Electricity				
Meter MPAN	Meter MPRN	Meter MPAN	Individual MPAN number	For audit & reconciliation purposes
MPAN Tariff - Average Cost Per kWh	MPRN Tariff – Cost per kWh	MPAN Tariff - Cost Per KWH	This must be expressed in pence per kWh and not in another unit. Please ensure your units are converted if needed. Calculated as pre-discount delivery price	To check claim value

			excluding VAT divided by volume supplied. Most up-to-date figure	
MPAN Contract type (Fixed, variable, flex, other)	MPRN Contract type	MPAN Contract Type (Fixed/Variable/Flex/Other)		For audit & reconciliation purposes
MPAN Contract Start Date	MPRN Contract Start Date	MPAN Contract Start Date		For audit & reconciliation purposes
Meter Volume of Electricity consumed (kWh)	<i>Same as Data Required</i>	Volume of Electricity consumed kWh	This must be supplied in kWh and not in another unit. Please ensure your units are converted if needed.	For audit & reconciliation purposes
MPAN Electric Reading Customer, Estimated or Actual	MPRN Electric Reading, Estimated or Actual?	MPAN Reading Method	A mix of estimates and actuals is always an estimate.	
MPAN Billing Cycle (Monthly, Qtrly, Other)	MPRN Billing Cycle	MPAN Billing Cycle (Monthly/Qtrly/Other)		For audit & reconciliation purposes
MPAN Payment in arrears (Y/N)	MPRN Payment in arrears	MPAN Payment in arrears	Y/N	For audit & reconciliation purposes
Customer Electricity Profile Class (0-8)	DUoS Tariff Code	Customer Electricity Profile Class (0-8)	From MPAN	Insight
Measurement Class (A-G)	Not applicable to NI, can leave blank	Measurement Class (A-G)	From MPAN	Insight

MPAN Meter type (smart/advanced/traditional)	<i>Same as Data Required</i>	MPAN Meter Type (smart/advanced/traditional)	Smart = SMETS, Advanced = AMR, else = Traditional	
Gas				
Meter MPRN	Meter SMP Number	Meter MPRN	Individual MPRN number	For audit & reconciliation purposes
MPRN Tariff - Average Cost Per kWh	SMP Tariff – Cost per kWh	MPRN Tariff - Cost Per kWh	This must be expressed in pence per kWh and not in another unit. Please ensure your units are converted if needed. Calculated as pre-discount delivery price excluding VAT divided by volume supplied. Most up to date figure	To check claim value
MPRN Contract type (Fixed, Variable, Flex, Other)	SMP Contract Type	MPRN Contract Type (Fixed/Variable/Flex/Other)		For audit & reconciliation purposes
MPRN Contract Start Date	SMP Contract Start Date	MPRN Contract Start Date	Individual MPRN number	For audit & reconciliation purposes
Meter Volume of Gas consumed (kWh)	<i>Same as Data Required</i>	Volume of Gas consumed kWh	This must be supplied in kWh and not in	For audit & reconciliation purposes

			another unit. Please ensure your units are converted if needed.	
MPRN Gas Reading Customer, Estimated or Actual	SMP Gas Reading Customer, Estimated or Actual	MPRN Gas Reading Method		
MPRN Billing Cycle (Monthly, Qtrly, Other)	SMP Billing Cycle	MPRN Billing Cycle (Monthly/Qtrly/Other)		For audit & reconciliation purposes
MPRN Payment in arrears (Y/N)	SMP Payment in arrears?	MPRN Payment in arrears	Y/N	For audit & reconciliation purposes
Customer Gas Supply Meter Point Type (1-4)	Gas Meter Point Type (LDM, DM, or NDM with EUC category ?)	Customer Gas Supply Meter Point Type (1-4)	From MPRN	Insight
MPRN Meter type (smart/advanced/traditional)	SMP Meter Type	MPRN Meter Type (smart/advanced/traditional)	Billing data	Insight

Adjustment Form		
Data Required	Additional Detail	Explainer
Supplier Name	The registered supplier name as per gas / electricity supplier licence	Required for application to the scheme
Supplier Name	The registered supplier name as per gas / electricity supplier licence	Required for application to the scheme
Supplier Short Codes or Supplier ID	short codes covered by this claim. This is known as Supplier ID for electricity	Required application to the scheme

	companies and SSC for gas companies	
Claim Period Start Date (delivery period being claimed for)	Provide the start date for the delivery period being claimed for. This claim form will be cumulative so this date should be fixed on 1 st April unless there were no eligible claims for that date.	This will allow us to process and reconcile claims over the 6-month claims period. And allow corrections to resulting from actual data reads as opposed to estimates. As well as properly sequence claim payments in relation to changes in the support price.
Claim Period End Date (delivery period being claimed for)	Provide the end date for the delivery period being claimed for. Moves as the scheme progresses and a cumulative picture is built. This date should always be before of the date of submission. E.g. A claim submitted on the 10 th of May should not have a claim end date of 10 th May or later.	This will allow us to process and reconcile claims over the 6-month claims period. And allow corrections to resulting from actual data reads as opposed to estimates. As well as properly sequence claim payments in relation to changes in the support price.
Net claim to be paid	Must equal the net claim value in the claim form	To check payment
Value of net claim made up of new claims	The value of the net claim made up from adding new discounts passed to customers	
Value of net claim made up of adjusting existing claims	The value of the net claim made up from adding new discounts passed to customers	

Annex C – Existing processes developed by the Department

Please see Annex C – Updated DAC and DVC_Methodology Statement

Annex D – Work Order Process

Please refer to Annex D for the work order process when securing work on a Time & Materials basis.

Annex E – Key Performance Indicators

Service Levels						Service Credit for each Service Period
Key Indicator	Service Level Performance Criterion	Service Level Performance Measure	Service Level Threshold			
			Red	Amber	Green	
Delivery – Key Milestones	All Milestones contained in Project Plan and contract documentation to be delivered on time and in line with all requirements as detailed within the latest project plans and specification.	All requirements under this measure to be delivered and reviewed monthly in progress meetings.	Exceeds any Milestone delivery deadline by 3 working days or more.	Exceeds any Milestone delivery deadline by 2 working days or more.	Meets the Milestone delivery deadline.	2% Service Credit gained for each day the weekly delivery deadline is missed under this Service Level Performance Measure
Delivery – all Reporting Requirements	All Reporting Requirements contained in Project Plans and Specification to be delivered on time and in line with all requirements as detailed within the latest project plans and specification.	All requirements under this measure to be delivered and reviewed weekly / as required in progress meetings.	Exceeds the delivery deadline by 3 working days or more.	Exceeds the weekly delivery deadline by 2 working days or more.	Meets the weekly delivery deadline.	2% Service Credit gained for each day the weekly delivery deadline is missed under this Service Level Performance Measure
Delivery – Discount Application Checks	All Discount Application Checks relating to each Round of checks to be progressed diligently and carried out on all participating Energy Suppliers in line with the Specification and agreed Methodology statements.	All requirements under this measure to be delivered and reviewed weekly in progress meetings.	Relevant Deliverables not progressed or delivered in line with requirements.	Relevant Deliverables only partially progressed or delivered in line with requirements.	All relevant Deliverables progressed and delivered in line with requirements.	2% Service Credit gained for each week where all relevant Deliverables are not progressed and delivered in line with requirements. This measurement will be taken and scored weekly as the processes are being undertaken, not only on completion.
Delivery – Data Validation Checks	All Data Validation Checks relating to each Round of checks to be progressed diligently and carried out on all participating Energy Suppliers in line with the Specification and agreed Methodology statements.	All requirements under this measure to be delivered and reviewed weekly in progress meetings.	Relevant Deliverables not progressed or delivered in line with requirements.	Relevant Deliverables only partially progressed or delivered in line with requirements.	All relevant Deliverables progressed and delivered in line with requirements.	2% Service Credit gained for each week where all relevant Deliverables are not progressed and delivered in line with requirements. This measurement will be taken and scored weekly as the processes are being undertaken, not only on completion.

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Delivery – Non Standard Cases	All Non-Standard Case Checks to be delivered in line with the Specification and agreed Methodology statements. Timings / period during which these checks are to be undertaken throughout the Term of this agreement to be instructed in advance by the Department.	All requirements under this measure to be delivered and reviewed weekly in progress meetings during the period the checks are being undertaken.	Relevant Deliverables not progressed or delivered in line with requirements.	Relevant Deliverables only partially progressed or delivered in line with requirements.	All relevant Deliverables progressed and delivered in line with requirements.	2% Service Credit gained for each week where all relevant Deliverables are not progressed and delivered in line with requirements (during the period/s when the checks are being undertaken).
Delivery – Non-Domestic Alternative Fuel Payments	All Top-up and Flat-Payment Checks (one Round only) to be progressed diligently and carried out on all participating Energy Suppliers in line with the Specification and agreed Methodology statements.	All requirements under this measure to be delivered and reviewed weekly in progress meetings.	Relevant Deliverables not progressed or delivered in line with requirements.	Relevant Deliverables only partially progressed or delivered in line with requirements.	All relevant Deliverables progressed and delivered in line with requirements.	2% Service Credit gained for each week where all relevant Deliverables are not progressed and delivered in line with requirements.
ETII – Eligibility Criteria Checks	All ETII Eligibility Criteria Checks to be delivered in line with the Specification and agreed Methodology Statements. Timings / period during which these checks are to be undertaken throughout the Term of this agreement to be instructed in advance by the Department.	All requirements under this measure to be delivered and reviewed weekly in progress meetings during the period the checks are being undertaken.	Relevant Deliverables not progressed or delivered in line with requirements.	Relevant Deliverables only partially progressed or delivered in line with requirements.	All relevant Deliverables progressed and delivered in line with requirements.	2% Service Credit gained for each week where all relevant Deliverables are not progressed and delivered in line with requirements (during the period/s when the checks are being undertaken).
Data Collection and Engagement with Energy Suppliers	All data collection requirements (Requests for Information (Rfi)) to be conveyed timely and clearly to all participating Energy Suppliers. Engagement to be undertaken as required with all Energy Suppliers in an open and co-operative manner to ensure that the Energy Suppliers understand all requirements and that any difficulties being encountered by the Energy Suppliers are	All requirements under this measure to be delivered and reviewed weekly in progress meetings.	Relevant Deliverables not progressed or delivered in line with requirements.	Relevant Deliverables only partially progressed or delivered in line with requirements.	All relevant Deliverables progressed and delivered in line with requirements.	2% Service Credit gained for each week where all relevant Deliverables are not progressed and delivered in line with requirements. This measurement will be taken and scored weekly as the processes are being undertaken, not only on completion.

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Non Domestic Energy Suppliers Compliance Checks ITT No: itt_940

	understood by the Supplier and appropriate assistance provided to all Energy Suppliers as required to ensure all required Data is collected accurately and within required timescales.					
Risk Management/non-compliance evidence log	The supplier will identify risks in delivering the scheme to the agreed milestone schedule and notify the Department during weekly review meetings. The supplier will maintain a risk log on each relevant scheme / task on those risks of fraud, gaming etc. Each risk to have a named owner and mitigation actions. Log to be updated on a weekly basis as a minimum. Or more frequently as required.	All requirements under this KPI will be measured on a monthly basis at project governance reviews.	Risk Log not maintained on regular basis as per criterion, with mitigations & updated regularly to reduce any risks.		Risk Log maintained on regular basis as per criterion, with mitigations & updated regularly to reduce any risks. Supplier is encouraged to report risks to the Department as and when they become apparent, together with proposed mitigation	2% Service Credit gained for non-delivery under this Service Level Performance Measure (when score/measurement is RED as per this schedule).
Social Values	Create opportunities for entrepreneurship and help new organisations to grow, supporting economic growth and business creation. Measurable performance against the metrics below: • Start-ups • SMEs • VCSEs • Supply chain engagement index (e.g., Net promoter score from supplier feedback surveys)	All requirements under this KPI be measured on a monthly basis at project governance reviews. Details of Supplier submissions, methods and frequency of measurements to be agreed with the supplier.	Performance against the metrics is not provided on a regular basis.	Performance is tracked but progress is absent or inconsistent &/or lack of evidence to substantiate.	Performance is tracked and there is a clear improvement against the metrics which can be evidenced.	2% Service credit gained for non-delivery under this Service Level Performance Measure (when score/measurement is RED as per this schedule).
Continuous Improvement	Delivery against cost-efficiency continuous improvement initiatives	An updated Continuous Improvement Plan to be issued at least once every 3 months (per quarter) as a minimum	An updated Continuous Improvement Plan is not issued at least once every 3 months (per quarter) as a minimum		An updated Continuous Improvement Plan is issued at least once every 3 months (per	2% Service Credit gained for non-delivery under this Service Level Performance Measure (when

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Non Domestic Energy Suppliers Compliance Checks ITT No: itt_940

		and as in line with Call-Off Schedule 3 (Continuous Improvement). This Service Level Performance Measure shall be measured quarterly.	and as in line with Call-Off Schedule 3 (Continuous Improvement).		quarter) as a minimum and as in line with Call-Off Schedule 3 (Continuous Improvement).	score/measurement is RED as per this schedule).
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*** Note that the total Service Credit value in any single monthly period shall not exceed 10% of the average of the last three months actual invoice value.**

Annex F – Detailed Activities related to each EBDS Data Collection Round (Discount Application & Data Validation Checks)

Supplier Deliverables:

During each Round of data checks under the EBDS scheme (Discount Application Checks and Data Validation Checks), the Service Provider shall under-take all reasonable activity to deliver the required outputs, to include but not be limited to:

1. engaging positively with the Energy Suppliers (ESs) as required during the data collection round.
2. working with the ESs to undertake all reasonable steps to help ensure that they understand what is required of them, including full communication and dialogue as required.

The Service Provider will

1. use all reasonable efforts to understand all issues and difficulties being faced by ESs and work with them to resolve where at all possible.
2. review, test, and load data during the process, providing feedback to the ES as required to highlight any errors and/or omissions in data submissions. Where the number of data-loads is deemed excessive in the opinion of the Service Provider, this shall be escalated to the Department using the escalation process noted below.
3. keep the Department updated at all times as required, with full summaries of progress in data collection presented during the regular meetings with the Department (weekly as a minimum).
4. Prepare and maintain an escalation log to be presented to the Department, highlighting difficulties being encountered relating to data collection / loading and where further action or intervention by the Department may be required.

DESNZ will provide support where required, for example joining 3-way calls (the Department, Service Provider and ES) in more difficult cases as required (in the opinion of the Department), to highlight to the ES the importance and urgency of all data being provided as requested, issuing letters to the ES by the Department from senior management to highlight or record issues highlighting to the ES potential further action to resolve.

At / nearing the end of a data collection round

At / nearing the end of a data collection round where an ES has failed to submit the requested data in an acceptable format and where the service provider has followed all required steps as noted within this specification, to include the Department being previously kept up to date with the situation using the Escalation Log, then senior discussions will be held between the Department and Service Provider. During these discussions, the Parties shall explore all options to resolve the outstanding data issues, with the Department instructing next steps. These options may include but would not be limited to;

- a. The Service Provider completing reports on the basis of the incomplete data collected, reporting on failures of the ESs where appropriate.
- b. Problematic meters / data sections being de-scoped and removed from the exercise prior to reports being completed.
- c. Certain tasks may be undertaken by the Department staff to resolve / assist in resolving selected issues.
- d. Where it can be demonstrated, both parties acting reasonably, that the Service Provider has gone over and above the required deliverables as noted within this section and wider contract terms to a satisfactory level and that the issues in questions relating to the problems being encountered are due to the actions / inactions of the ESs, then the Department may at their discretion request that the Service Provider

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undertake further work under a Time and Materials Work Order with a view to resolving issues to ensure sufficient data has been collected and to ensuring the round reports / follow-on reports are as meaningful as possible and as required under the terms of this Agreement.

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Version 11.07.2023

EBDS (Non Domestic Energy Affordability Compliance)
Post Payment Checks - ITT

Document 2 Non-domestic Energy Affordability Compliance
Specification

**Annex C – DAC and DVC Methodology Statement
(11.07.2023)**

Energy Bill Relief Scheme

Post-claim compliance checks methodology

Blue text relates to Primary Service Provider specific activity.

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1. Introduction

The UK Government's Energy Bill Relief Scheme ("EBRS" or "the Scheme") requires energy suppliers to apply discounts to non-domestic customers in Great Britain and Northern Ireland in order to provide energy bill relief. Discounts applied by energy suppliers must be calculated in accordance with Scheme rules and can be claimed back from the UK Government.

ESNZ has engaged advisory service providers (the "Service Providers") to assist in its implementation of post-payment and post-claim compliance checks over payments made to energy suppliers in connection with the Scheme. ESNZ has appointed a lead advisor (the "Primary Service Provider") and a secondary service provider (the "Secondary Service Provider").

Work to be performed by the Service Providers will include performing checks over supplier discount calculations, assessing supplier billing controls, inputting into fraud risk assessments, and delivering deeper dive supplier reviews where required.

The purpose of this document is to set out a methodology for undertaking the following checks over *supplier discount calculations*, including:

1. 'Discount Application Checks' that will include testing samples of energy suppliers' application of the discount across different customer contract types, ensuring customer bills and contracts align with the discount methodology, that customers are eligible for discounts under the Scheme and that amounts claimed under the Scheme are accurate; and
2. 'Data Validation Checks' that will include testing samples of supplier documentation to build evidence indicating whether energy suppliers' data submissions are accurate and valid, and to identify instances where energy suppliers need to rectify inaccurate data.

It is expected that this methodology will evolve iteratively during the course of the engagement and this document is intended to provide an audit trail to record the rationale for methodology decisions.

2. Overview of our standard approach

2.1 Claims periods

The Scheme requires suppliers to provide discounts to eligible customers during the period 1 October 2022 and 31 March 2023. Suppliers are able to make claims to recover discounts applied to customers' bills during twice-monthly 'claim windows'. The first such claim window was opened in November 2022 in relation to consumption in October. As further described in [Section 3.2.1](#), suppliers can choose when they make claims to ESNZ and are not obliged to submit claims in every window or month.

ESNZ requires that Discount Application Checks are performed on three occasions (hereafter referred to as “testing rounds”) during the term of the Service Providers’ contracts. Data Validation Checks should be performed on a monthly basis and it is anticipated that there will be five testing rounds for this check. The table below sets out an indicative view of the months in which it is expected that testing rounds will be performed. [Appendix 5](#) contains an overall programme timeline setting out the timing of each round of testing and expected periods of supplier engagement.

ESNZ may also specify a target group of ‘priority suppliers’ where checks should be performed on a prioritised basis within a given testing round. The precise completion dates of testing rounds 2 and 3 for the Discount Application Checks will be agreed with ESNZ following completion of testing round 1.

Month	Discount Application Checks		Data Validation Checks	
	Proposed timing of testing round - <i>to be agreed with ESNZ</i>	Proposed data from which samples selected - <i>to be agreed with ESNZ</i>	Proposed timing of testing round - <i>to be agreed with ESNZ</i>	Proposed data from which samples selected - <i>to be agreed with ESNZ</i>
January 2023	Testing round 1 - Expedited Suppliers	Samples for Expedited Suppliers were selected from cumulative supplier claims data up to 10 January 2023	Testing round 1 - Expedited Suppliers - Priority suppliers - Other suppliers	Samples for Expedited Suppliers were selected from cumulative supplier claims data up to 10 January 2023
February 2023	Testing round 1 - Priority suppliers - Other suppliers	Samples for other suppliers were selected from cumulative supplier claims up to 20 January 2023	Testing round 1 - Priority suppliers - Other suppliers	Samples for other suppliers were selected from cumulative supplier claims up to 20 January 2023
March 2023				
April 2023	N/A	N/A	Testing round 2 - Priority	Sample to be selected from

			suppliers - Other suppliers	cumulative claims made by end of February 2023
May 2023	Testing round 2 - Priority suppliers - Other suppliers	Cumulative claims submitted by the end of March 2023	Testing round 3 - Priority suppliers - Other suppliers	Sample to be selected from cumulative claims made by the end of March 2023
June 2023	N/A	N/A	Testing round 4 - Priority suppliers - Other suppliers	Sample to be selected from cumulative claims made by the end of April 2023
July 2023	Testing round 3 - Priority suppliers - Other suppliers	Cumulative claims submitted by the end of May 2023	Testing round 5 - Priority suppliers - Other suppliers	Sample to be selected from cumulative claims made by the end of May 2023
<i>Further testing rounds may be performed subject to agreement by ESNZ.</i>				

Discount Application Checks will be performed in relation to customer consumption information relating to a single month (hereafter the "Reference Month") Data Validation Checks in round 1 will involve reviewing supporting information over multiple months.

For each testing round, the requirements will be delivered in the following consistent stages:

1. Sample selection
 - Develop sample selection methodology for the testing round and agree this with ESNZ
 - Obtain a breakdown of meter-level data submitted by suppliers to support claims in relevant claims windows
 - Select the sample of individual meter details for testing
2. Data collation
 - Engage with selected suppliers and provide briefing on requirements of the checks where necessary
 - Provide standardised Request for Information ("RFI") template to selected suppliers in relation to sampled meters
 - Collate responses to RFI from suppliers
3. Data quality checks
 - Assess whether data requested from suppliers in respect of sampled meters

contains all required data fields, is in the required format and that required supporting information is provided

- Engage with suppliers to correct data quality issues as required
- Load received data into the Service Providers' review platforms / tools

4. Perform checks

- Undertake checks using a combination of automated analysis and review by analysts
- Preliminary reporting of discrepancies and anomalies to ESNZ
- Engage with suppliers to understand the nature and basis of discrepancies and anomalies, following protocols agreed with ESNZ

5. Reporting

- Report final outcomes of testing round to ESNZ
- Support ESNZ' consideration of whether any further action is required based on the outcomes of testing

Supplier engagement and provision of data will be key dependencies on the overall timeline. In practice, it is expected that the stages above - in particular 2, 3, and 4 - may be performed in parallel as different suppliers will provide information at different speeds and more time will be required for data quality checks for some suppliers than others. Similarly, some suppliers will have more discrepancies and anomalies that require follow up than others which may extend timelines for review in some cases. It may also be the case that testing rounds overlap in terms of delivery timeline: For example, the initial stages of round 2 testing (e.g., sample selection) may commence while checks and reporting are still being completed for testing round 1.

The subsequent sections of this document describe the methodology for each stage set out above. As noted above, the following sections will be developed iteratively over time as checks are performed.

3. Sample selection approach

3.1 Preliminary analysis of suppliers and consideration of potential conflicts

As part of Primary Service Provider's supplier readiness engagement for ESNZ, 'self-declared' market share data by meter point from all non-domestic energy suppliers was obtained¹⁰. The list set out the number of gas and electricity meters operated by each supplier, broken down by tariff type: 'Fixed', 'Flex', 'Variable' and 'Other'.

¹⁰ Suppliers were asked to provide information on the number of meter types in their gas and electricity portfolios in each EBR tariff category

Across gas and electricity, ESNZ shared a list of 92 unique licensed legal entities which supply energy to non-domestic customers. Some of these licensed entities were identified as being part of the same corporate group and it was agreed with ESNZ that:

- Some of these groups should be considered a single supplier for the purposes of the post-payment checks as in practice the separate licenced entities operate as a single business; and
- Some licensed entities that are part of the same group should be treated as separate suppliers for the purposes of the post-payment checks as in practice they operate as separate businesses with separate systems and processes.

After agreeing the treatment of specific corporate groups with ESNZ, it was agreed that the post-claim checks should be performed on the basis of an initial list of 75 energy suppliers (hereafter together referred to as the “Baseline Supplier Population”). [Appendix 1](#) contains a list of identified supplier licenced entities and how these are grouped to form the Baseline Supplier Population.

The Primary Service Provider performed relationship checks on the Baseline Supplier Population to identify suppliers where there is a current audit relationship. 8 suppliers (comprising 14 unique licensed entities) were identified that are to be treated as audit clients by the Primary Service Provider (hereafter the “Audited Suppliers”). [Appendix 1](#) identifies the Audited Supplier as a subset of the Baseline Supplier Population. The Primary Service Provider’s sample selection approach will include consideration of meters operated by the Audited Suppliers, but the Primary Service Provider will not perform any testing in relation to them. Instead, the Primary Service Provider will provide ESNZ with information on the samples selected in relation to the Audited Suppliers and ESNZ will instruct the Secondary Service Provider to undertake testing.

The population of suppliers may change during the engagement, due to, for example, supplier insolvencies, mergers between suppliers and/or new suppliers entering the market or otherwise ESNZ updating its list of suppliers. It is expected that such changes will become apparent from the claim data which suppliers will regularly share with ESNZ in the course of execution of the Scheme (i.e., a supplier that is not within the Baseline Supplier Population makes a claim to ESNZ). In the event that a supplier that was not included in the Baseline Supplier Population makes a claim under the Scheme, the Primary Service Provider will perform additional relationship checks and determine whether the firm has a current audit relationship such that the Secondary Supplier would be required to undertake testing.

3.2 Sample selection - Discount Application Checks

3.2.1 Testing round 1

ESNZ set out the following requirements for the first round of Discount Application Checks:

- Target samples of 2,840 gas and 2,840 electricity meters to be tested - actual sample sizes selected for testing round 1 slightly exceeded these targets for reasons set out in [Appendix 9](#);
- All suppliers that have claimed under the Scheme (up to the relevant dates as set out above) need to be included in the sample for both gas and electricity where applicable;

and

- All tariff types offered by each supplier must be tested.

The Primary Service Provider will obtain from ESNZ meter-level data provided by suppliers to ESNZ in respect of claims made in relevant claims windows (as set out in [Section 2.1](#) above). [Section 4.1](#) sets out how data will be transferred between ESNZ and the Primary Service Provider. The Primary Service Provider will aggregate individual supplier data sets to create a consolidated list of meters where claims have been made in the relevant months for the testing round.

Once the data has been aggregated, the Primary Service Provider will calculate the proportion of the total number of meters operated by each supplier for each tariff type for gas and electricity (i.e., such that the total number of meters in the aggregated claims data is 100%). This proportion will be defined as a percentage and referred to as the supplier's "Claim Share" for each tariff type.

While some suppliers may submit claims on a fortnightly basis during every available claim window, it is also to be expected that other suppliers may not submit claims in every claim window and make fewer claims covering longer periods of time. As such, different sets of suppliers are expected to be analysed for each round of testing.

The Primary Service Provider will calculate an initial sample size for each tariff type (for each fuel) offered by each supplier as follows:

Supplier Claim Share (for each tariff type) x 4,000 = Calculated supplier sample size (for each tariff type)

Calculated supplier sample sizes will be rounded up to the nearest whole number. However, if the rounding results in a total sample size that is greater than 2,850, the Primary Service Provider may agree with ESNZ to manually override the calculated samples of larger energy suppliers to reduce the total sample size to 2,840.

[Redacted - Primary Service Provider specific information]

Once the sample size for each supplier tariff type has been agreed, the Primary Service Provider will randomly select the sample of meters from the aggregated meter-level claims data.

After the sample has been selected, Primary Service Provider will calculate the sample's coverage of energy consumption reported in the relevant supplier claims. Primary Service Provider will report the coverage of the sample to ESNZ who will assess whether any amendments are required to the sample to provide additional coverage. This may include for example, targeted sampling of meters with higher reported consumption and/or the exclusion from the sample of meters with very low reported consumption.

Once the sample has been agreed, the Primary Service Provider will provide ESNZ with a list of sampled meters relating to the Audited Clients for provision to the Secondary Service Provider.

In cases where, after the sample is finalised, suppliers report that sampled meters relate to multiple customers (i.e., the meter is shared), the Service Providers will request the supplier to provide information in relation to the highest consuming customer using the meter only. As described in Appendix 5 an alternative approach for such cases was agreed with ESNZ for the three Expedited Suppliers, where all contracts associated with a claim to ESNZ were

subject to the discount and data checks.

3.2.2 Testing rounds 2-3

It is expected that different sample selection approaches will be adopted for testing rounds 2 and 3 with greater risk-based targeting being applied alongside random sampling. Risk-based targeting would involve skewing the distribution of the sample based on potential risk features as opposed to doing so based on Claim Share alone as in testing round 1.

Factors that may drive risk-based targeted are likely to include:

- Results of earlier rounds of testing
 - Larger samples may be selected for suppliers:
 - That had higher levels of issues (higher volume / risk) identified in testing round 1 compared to other suppliers (which may include supplier's failing to provide complete requested information);
 - Where potential systematic issues in the calculation or application of the discount by were identified in testing round 1;
 - With business models that increase the complexity in the calculation of the discount such that errors may be more likely;
 - Where there was a need for greater engagement to resolve issues during testing round 1 (i.e. due to greater complexity of issues identified by testing);
 - Risk factors identified as part of the pre-payment checks undertaken by ESNZ (e.g. duplicate or invalid meter IDs); and
 - The level of estimated consumption / billing being used by suppliers to formulate claims (e.g. above a certain threshold vs the average being used across all suppliers).
 - Smaller samples may be selected for suppliers that had no, or minimal, issues identified during testing round 1 or which have lower values of claims.
- Quality of supplier engagement - Larger samples may be selected for suppliers that had less positive or timely engagement with the Service Providers (and/or ESNZ or Ofgem) during testing round 1 or other interactions relating to the Scheme.
- Other factors that ESNZ considers may point to higher potential risk of fraud or error (such as investigation or enforcement activity by the regulator).

Sample selection approaches for testing rounds 2-3 will be discussed and agreed with ESNZ at a later date considering lessons learned from round 1.

It may also be the case that ESNZ instructs the Service Providers to select samples of different sizes. However, sample sizes should not exceed 2,840 for each of gas and electricity.

3.3 Sample selection - Data Validation Checks

3.3.1 Testing round 1

ESNZ has set out the following requirements for the initial round of Data Validation Checks:

- Target sample sizes of 1,420 gas and 1,420 electricity meters to be selected - actual sample sizes selected for testing round 1 slightly exceeded these targets for reasons set out in [Appendix 9](#);
- All suppliers that have claimed under the Scheme need to be included in the sample for both gas and electricity where applicable.

For testing round 1, the Primary Service Provider will select a sample of meters for the Data Validation Checks from the population of meters selected for the Discount Application Checks (i.e., so that the population for the Data Validation Check is a subset of the sample for Discount Application Checks). This approach will limit disruption to suppliers by avoiding creating the need for suppliers to provide data sets for two different samples. It will also allow the Service Providers to efficiently expedite the initial round of testing across both the Discount Application Check and Data Validation Check.

For each supplier tariff type, the Primary Service Provider will randomly select half the population of meters subject to Discount Application Checks. Where only a single meter has been selected for Discount Application Checks for a particular supplier tariff type, it will be automatically selected for Data Validation Checks to ensure that the required coverage of all suppliers and tariff types is achieved. If this results in a sample of greater than 1,430, the Primary Service Provider may agree with ESNZ to reduce samples of larger energy suppliers to bring the total sample size to 1,420 for each of gas and electricity.

Once the sample has been agreed, the Primary Service Provider will provide ESNZ with a list of sampled meters relating to the Audited Clients for provision to the Secondary Service Provider.

3.3.2 Later testing rounds

As noted above in respect of the Discount Application Checks, it is expected that different sample selection approaches may be adopted across later testing rounds with greater risk-based targeting being applied. Sample selection approaches for later testing rounds will be discussed and agreed with ESNZ at a later date considering lessons learned from round 1.

It may also be the case that ESNZ instructs the Service Providers to select samples of different sizes. However, sample sizes should not exceed 1,420 for each of gas and electricity.

4. Supplier communications and data collation

4.1 Data transfer between ESNZ and the Service Providers

Each Service Provider will agree a suitable means for the secure receipt of data from ESNZ.

ESNZ has instructed PSP that data transfer between ESNZ and PSP should be conducted via an ESNZ hosted sFTP¹¹ site. Whilst the sFTP is being configured, ESNZ has instructed PSP that an ESNZ-hosted SharePoint site should be used as a temporary means to transfer data.

4.2 Communications with suppliers

Prior to the commencement of testing, ESNZ will send all relevant suppliers a preliminary briefing email containing information on the scope and nature of the post-claim checks requesting them to engage with the Service Providers.

The Primary Service Provider has prepared a draft of this briefing email for ESNZ to review and send. A draft copy of this email is included below in [Appendix 2](#). The Primary Service Provider also attended a 'Q&A session' arranged by ESNZ on 26 January 2023 to which all suppliers were invited to explain the post-claim check process and respond to queries from suppliers.

Service Providers will establish a suitable means of communication with the suppliers, for example, dedicated supplier email mailboxes.

PSP will create dedicated mailboxes for each relevant supplier (i.e., all those other than the Audited Suppliers) which will be used to send and receive all correspondence relating to that supplier. PSP will follow up ESNZ' initial briefing email with an introductory email to relevant suppliers which will provide contact details for the dedicated PSP supplier mailbox in the event the supplier has queries and instructions on how to use PSP document sharing platform, Client Connect¹². A draft copy of this email is included below in [Appendix 3](#).

All correspondence to suppliers will be copied to a designated ESNZ mailbox (ebrs.postpayment@energysecurity.gov.uk) to provide ESNZ with a single repository of all communications.

PSP also held a briefing call with the ESNZ team overseeing supplier case officers on 25 January 2023.

4.3 Sending requests for information to suppliers

Once a sample has been selected by the Primary Service Provider and agreed with ESNZ for a particular round of testing, details of the sampled meters and information requirements will be communicated to relevant suppliers by the Service Providers.

The Service Providers will establish a suitable means to securely request and take receipt of supplier data.

¹¹ sFTP (secure file transfer protocol) is a secure means to transfer data between parties.

¹² Client Connect is a web-based document sharing platform through which data requests will be sent to In-scope Suppliers and where In-scope Suppliers will upload requested data to share it with us. The tool has functionality to track data requests and to send comments in respect of document requests.

An email will be sent to each relevant supplier from PSP's dedicated supplier mailboxes to notify them that a new round of testing is to commence and to inform them that the sampled meters will be sent to them via Client Connect. As noted above, instructions for how to use Client Connect will be provided in the initial contact email to each relevant supplier. Should it be required, PSP can provide demonstrations of how to use the Client Connect portal to relevant suppliers.

Each relevant supplier will have their own dedicated site on Client Connect which only they will be able to access. A member of the PSP team will manage access rights to each supplier site. PSP and ESNZ will have access to all supplier sites on Client Connect.

A standard RFI template will be provided to the suppliers to indicate the information required for each of the sampled meters. The RFI template consists of two components:

- "Declaration Form" - Suppliers will be requested to populate a spreadsheet with key data points that have been used to calculate the discount for sampled meters.
- "Supporting Information" - Suppliers will be requested to provide supporting invoices and contract information for the sample meters along with any energy trade records for meters where flexible tariffs applied.

PSP will upload the standard Request for Information ("RFI") template to share the sample with relevant suppliers on Client Connect. A copy of the RFI template is attached as [Appendix 4](#). The template will contain instructions and guidance as to what information is required.

Any queries received from suppliers in relation to the RFI will be handled by a designated member of the Service Provider team. PSP supplier contacts may proactively reach out to suppliers by email and telephone to provide support and guidance in relation to the RFI template and the testing to be performed.

4.4 Collating responses to the RFI and following up on queries

Relevant suppliers will be asked to upload the requested information using the RFI template with the necessary supporting information (principally contracts and invoices) back into their dedicated PSP Client Connect site. PSP will monitor uploads to Client Connect and download data once this is provided by each supplier.

The table below sets out proposed timelines for actions to be taken by the Service Providers in respect of data requests and queries:

Timeline	Actions in respect of data requests	Actions in respect of queries
T-0	Data request sent to supplier	Query sent to supplier
T+1 working day		
T+2 working days		
T+3 working days		

T+4 working days		If no response, first reminder sent to supplier
T+5 working days	If no response, first reminder sent to supplier	If no response by end of day, Service Provider reports to ESNZ that testing cannot be completed in respect of impacted sample meters. Service Provider and ESNZ will agree on a suitable way forward which may include ESNZ engaging with the supplier to resolve the issue.
T+6 working days	If no response, second reminder sent to supplier	
T+7 working days	If no response by end of day, Service Provider reports to ESNZ that testing cannot be completed in respect of impacted sample meter. Service Provider and ESNZ will agree on a suitable way forward which may include ESNZ engaging with the supplier to resolve the issue.	

The recurring nature of the required testing means that, in practice, Service Providers expect to liaise with suppliers regularly throughout the engagement and not just in relation to formal data requests and queries. Service Provider contacts for each supplier may proactively reach out to contacts, outside of the timelines specified above, to offer support and guidance on requirements.

5. Data quality checks

Data received from ESNZ (i.e. claims related data from which samples will be selected) and from suppliers (i.e. in response to RFIs) should be subject to appropriate data quality checks before data is 'accepted' and subject to review. These are to be determined by the Service Providers and may include:

- Identifying any empty, blank or NULL value fields, where data values are expected.
- Ensuring all fields requested in the RFI template are present in the data files received. A copy of the RFI template is included in [Appendix 4](#).
- Performing checks to confirm certain data fields are presented in the required format and in the correct units, for example:
 - Date fields are in the correct format, e.g. 'DD/MM/YYYY';
 - Price information is provided in pence/Kwh, not pound/Kwh; and
 - Numeric fields contain the expected number of characters.

- Ensuring fields which have predefined response values only contain those values, for example: the 'Electricity Profile Class Number' fields have a value between 0-8 and 'Fuel Type' fields have either 'Gas' or 'Electricity' listed.

Where necessary, Service Providers will liaise directly with relevant suppliers to clarify and resolve any issues with data quality.

6. Performing the checks

As set out in the introduction section, this methodology document sets out the approach to performing the Discount Application Check and the Data Validation Check as instructed by ESNZ. Service Providers' approaches to performing reviews of supplier billing controls have been documented separately.

The overall objective of the post-claim checks is to support ESNZ to identify errors in supplier claims such that they can be rectified and to identify potential indicators of abuse of the Scheme.

The objectives and purpose of the Discount Application Check and Data Validation Check are set out below:

(a) *Discount Application Check* - in accordance with Schedule 20 of the agreement the objectives and purpose of the Discount Application Check are to:

- *"Check discount calculations and methodology used for each energy supplier are in line with scheme rules and legislation, making certain that discounts reflect the classification of contracts that energy suppliers have disclosed and that the energy consumer being claimed for is eligible for the scheme. This shall include checks of the discount applied, as well as the correct use of the Department's EBRs discount publications, calculation of the wholesale element from which the discount needs to be deducted for both GB and NI energy suppliers where appropriate (e.g. not required for fixed contracts), and the correct application of the floor price where required.*
- *Check the classification of contracts that energy suppliers have disclosed reflect the contractual arrangements they have signed with their customers.*
- *Check for manipulation including for nuanced discounting behaviour such as energy suppliers trying to retain or share discounts, or energy suppliers discriminating between customer groups by over-/under-discounting some consumers. This will include requesting full contract details (non-banking) and evidence of discount communicated and provided to customers¹³.*

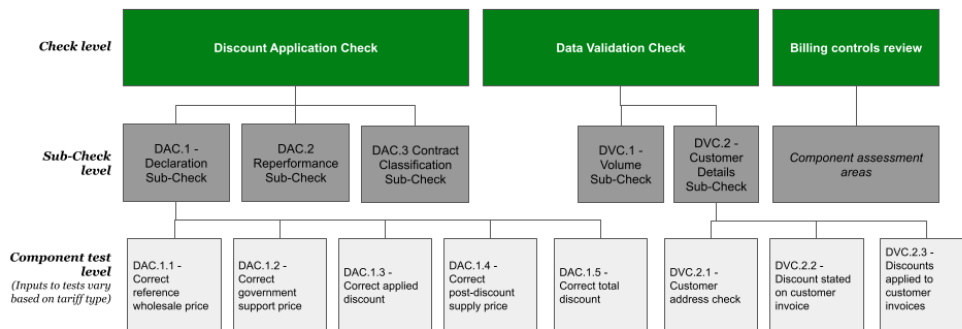
(b) *Data Validation Check* - in accordance with Schedule 20 of the agreement, the objectives and purpose of the Data Validation Check is to:

- *"build evidence indicating whether energy suppliers' data submissions are accurate and honest, and to rectify instances where energy suppliers have submitted inaccurate data¹⁴.*

¹³ Extracted from Primary Service Provider's scope of work (Call-off Schedule 20 (Call-off Specification))

¹⁴ Extracted from Primary Service Provider's scope of work (Call-off Schedule 20 (Call-off Specification))

The Discount Application Checks and Data Validation Checks have been broken down into multiple component parts which seek to address each part of ESNZ' purpose and objectives as set out above. The graphic below illustrates how the Discount Application Check and the Data Validation Check breakdown into 'sub-checks' and, in the case of the 'Declaration Sub-check' more detailed component 'tests':



[Section 6.2](#) below describes each of the sub-checks and component tests in detail, including the different inputs to the component tests which vary based on the relevant tariff type.

Where possible Service Providers may use automated tools to standardise the performance of elements of sub-checks and tests across both the Discount Application Check and the Data Validation Check, however, some in some cases manual review will be required due to the nature and complexity of information under review.

The reviews of supplier billing controls, the methodology for which is documented elsewhere, supplement the Discount Application Check and the Data Validation Check by considering whether suppliers are operating controls to meet the demands of the Scheme, in particular in relation to the use of estimates and the reconciliation process over time.

6.1 [Redacted - Primary Service Provider specific information]

[Redacted - Primary Service Provider specific information]

6.2 Standard review process

Prior to commencing the checks outlined below, Service Providers will perform preliminary checks of supporting information received from supplies to assess whether it is complete and whether it relates to the correct reference period. In cases where supporting information is missing, Service Providers may engage with suppliers to resolve this before commencing checks.

At this stage, the Service Providers will also:

- identify the relevant tariff type for each sampled meter which will inform the approach to each check as described below;
- consider whether contracts provided by the supplier have been signed and note this for contextual commentary in subsequent reporting to ESNZ;
- consider whether VAT and the Climate Change Levy have been separately annotated on customer contracts/invoices and note this for contextual commentary in subsequent reporting to ESNZ.

6.2.1 Changes to meter tariff types identified in supplier data

In situations where a customer changes contract terms (e.g. changing tariff type) during a claim period the supplier may need to perform discount calculations on two different bases to determine the correct claim value. In these cases, it is expected that suppliers will provide multiple responses to RFIs in respect of the same meter for the same claim period. In such cases, where the contract type is the same for both responses provided, checks will only be performed on the response with the higher consumption values (i.e. checks will not be performed on all responses submitted by the supplier). In cases where the tariff types differ across the responses submitted by the supplier checks will be performed on both responses.

6.2.2 Excess data and invoices spanning multiple months

In situations where a supplier provides information (such as invoices) that do not relate to the Reference Month, we will only perform the Discount Application Checks based on information relating to the Reference Month.

It is expected that suppliers may provide multiple invoices in relation to consumption within the Reference Month where the supplier's billing cycle is to raise invoices mid-month (i.e. such that consumption in the Reference Month is split across two invoices). In these cases, Discount Application Checks will only be performed by reference to the invoice with the highest number of days in the Reference Month.

6.2.3 Discount Application Check

As a precursor to the performance of the checks below, it is necessary to determine the relevant pre-discount price which is dependent on the tariff type. The relevant pre-discount price varies depending on the tariff type as follows:

- Fixed - Based on the pre-discount supply price as provided by the supplier in the Declaration Form
- Variable - Based on the pre-discount supply price as provided by the supplier in the Declaration Form
- Flexible - Based on the Weighted Average Price as provided by the supplier in the Declaration Form
- Multi-rate - Calculated based on the percentage of consumption applicable to each rate derived from volume information provided by the supplier in the Declaration Form. The percentage of volume applicable to each rate is multiplied by the applicable pre-discount supply price for each rate as provided in the Declaration Form and outputs are summed together to produce a volume weighted supply price¹⁵.

¹⁵ The Scheme regulations allow for suppliers to calculate the multi-rate pre-discount supply price using more than one approach. Our checks are based on the Government's preferred approach of using a volume weighted price. However, a simple time weighted average is also permitted. In the event that a discrepancy is identified in the weighted price we will

- NI SEM - Based on the Flat Average NI Reference Price as provided by the supplier in the Declaration Form

The relevant pre-discount supply price for each meter (hereafter the “PDSP”) forms an input into subsequent tests as described further below.

As noted below, the pre-discount supply price for Multi-Rate and Flexible tariffs are also independently checked as part of DAC.2 (‘Reperformance Check’).

The following steps are performed in respect of the Discount Application Check:

Sub-check	Procedures and details of component tests
DAC.1 - ‘Declaration Check’	The objective of this sub-check is to assess whether the supplier has correctly applied the methodology set out in Scheme guidance to calculate the applicable discount for each meter. This sub-check breaks down into five automated component tests that replicate the calculation requirements in the Scheme guidance as described further below. The inputs to these tests vary depending on the applicable tariff type. <u>Component tests:</u> DAC.1.1 - Correct reference wholesale price is used This test compares the reference wholesale price in the Declaration Form with the correct reference wholesale price published in the ESNZ Data Tables. The correct reference wholesale price varies based on tariff type: • Fixed - Values vary based on the contract pricing date • Variable - Values are fixed at 55.63p for electricity and 16.6p for gas • Flexible - Values are fixed at 55.63p for electricity and 16.6p for gas • Multi-rate - Values vary based on the contract pricing date • NI SEM - Values are dependent on the NI reference month <i>Failure Criteria:</i> • If the contract pricing date does not match on the declaration and the supporting evidence, then the test is considered to have failed. DAC.1.2 - Correct government support price is used The test compares the government support price in the Declaration Form with the correct government support price as published in the ESNZ Data Tables. The correct government support prices are the same across all tariff types, being 21.1p for electricity and 7.5p for gas. <i>Failure criteria:</i>

engage with the supplier to understand the reason for the difference, which may be that the supplier has used an alternative permitted approach to calculate the pre-discount supply price.

	- The test is failed if the government support price in the Declaration Form does not match the correct government support price exactly. DAC.1.3 - Correct applied discount is used The test recalculates the discount to be applied and compares this to the discount applied by the supplier as stated in the Declaration Form. The discount is recalculated as follows: - If the PDSP is less than the government support price (as determined by DAC.1.3) then no discount is applicable (i.e. discount is 0). - If the PDSP is greater than the government support price (as determined by DAC.1.3) then a discount is calculated. The discount is calculated as the PDSP minus government support price (determined by DAC.1.3) with the total discount value being capped at a maximum rate as set by ESNZ which varies based on the contract pricing date. <i>Failure criteria:</i> - The test is failed if the recalculated discount does not match the discount applied by the supplier as stated in the Declaration Form exactly. DAC.1.4 - Correct post-discount supply price is used The test checks whether the correct post-discount supply price has been provided in the Declaration Form. The test calculates the post-discount supply price by subtracting the correctly calculated discount (as determined by DAC.1.4) from the PDSP. <i>Failure criteria:</i> - The test is failed only if the recalculated post-discount supply price does not match that in the Declaration Form exactly. DAC.1.5 - Correct total discount is used The test compares the total discount provided by the supplier in the Declaration Form with a calculated total discount. The calculated total discount is determined by multiplying the correct applied discount (as determined by DAC.1.4) with consumption volume in the delivery month as stated by the supplier in the Declaration Form. As part of this test, the Service Provider will also review the contract start and end dates per the declaration to the contract start and end dates per the contract and the ESNZ data. <i>Failure criteria:</i> - The test is failed if the total applied discount in the Declaration Form does not match the recalculated total discount. - The test is failed if the contract start and end dates in the Declaration Form do not match those in the ESNZ meter data.
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DAC.2. - 'Reperformance Check'	The objective of this sub-check is to establish what the correct applied and total discounts are using consumption data from invoices and pricing date information from contracts in relation to the Reference Month, rather than relying on the supplier's Declaration Form. The output of the re-performance check is then compared to the values in the Reference Month invoice to assess whether or not the supplier applied the correct applied discount and total discount to customer invoices. In regards to the Flexible tariff, the Weighted Average Price provided by the supplier in the Declaration Form is also subject to independent validation. An independently derived Weighted Average Price is compared to that in the Declaration Form. <i>Failure Criteria:</i> • If the independently derived Weighted Average Price does not match that in the invoice, then the test is considered to have failed. • If the total discount on the invoice does not match to the calculated discount, then the test is considered to have failed. • If the total discount on the Declaration Form does not match to the calculated discount, then the test is considered to have failed.
DAC.3 - 'Contract Classification Check'	For each meter in the sample, we check whether the tariff type specified in the Declaration Form is consistent with that in the data received from ESNZ and in the customer invoices/contracts obtained from the supplier. This is to identify possible mismatches in how energy suppliers calculate the values they claim from ESNZ and the discounts they apply to customers' invoices. <i>Failure Criteria:</i> • If the contract type is not consistent between the Declaration Form, the contract and the ESNZ meter data, then the test is considered to have failed.

6.2.4 Performing the Data Validation Check

The following steps are performed in respect of the Data Validation Check:

Sub-check type	Procedures for underlying tests within each sub-check type
DVC.1 - 'Volume Check'	The Service Provider will check that energy consumption information in respect of each sampled meter is consistent across: • ESNZ meter data; • The supplier Declaration Form; and • Customer invoices as provided by the supplier. Where information is consistent, the meter point is considered to have passed this element of the check. If not, the Service Provider will request further information from the supplier to explain any inconsistencies identified (e.g. invoice period may be different to ESNZ claim period, so a difference could be justified by the supplier if they explained how they have reconciled the two data points).

	The objective of this sub-check is to verify, where possible, that the ESNZ meter level data matches customer invoices, in order to compare the claimed amount and discount amounts applied to customer bills. Where these do not match, the Service Provider would raise this with ESNZ initially and may then engage with the energy supplier to discuss the cause of the difference. Failure criteria: • If the volume does not match on the Declaration Form, the customer invoice and the ESNZ meter data, then the test is considered to have failed.
DVC.2 - 'Customer Details Check'	The objective of this sub-check is to confirm that customer information submitted in the Declaration Form is consistent with customer invoices, that discount information has been communicated to the customer and that the discount has been applied to the customer's invoice. This is performed in three component tests: DVC.2.1 - Customer address check This test involves checking that customer name and address information is consistent across: • The supplier Declaration Form; and • Customer invoices as provided by the supplier Where information is consistent, the meter is considered to have passed this element of the check. However, where there are inconsistencies, the Service Provider will request further clarification from the Supplier to explain these. Failure criteria: • This test is failed if address information (first line of the address and postcode) do not match between the Declaration Form and the customer invoice. A level of judgement may need to be applied in cases of minor differences. DVC.2.2 - Discount stated on customer invoice This test involves checking that discount information is included on the customer invoice. Failure criteria: • This test is failed if the customer invoice does not separately include the discount amount. In some instances suppliers may have correctly calculated the discount applicable to a particular invoice to be zero such that we would not expect to see the discount stated on the invoice. For example, a customer may have been on a Variable tariff and, based on applicable pricing, been eligible to claim in relation to consumption between 1 October 2022 and 26 December 2022 but not thereafter, therefore a January 2023 invoice may not contain any discount information. In this scenario, the test will pass.

	DVC.2.3 - Discounts applied to customer invoices As part of the RFI template, suppliers are asked to confirm that discounts have been applied to customer's invoices (i.e. in general for all customers rather than in relation to the specific meters in the sample). Suppliers respond to this question once in relation to all meters. Failure criteria: • This test is failed if the supplier declares that they have not applied discounts to customer invoices.
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[Appendix 7](#) contains a process flow showing the steps the Service Providers will undertake as part of performing the checks including the stages at which escalations to ESNZ may occur.

All tests will be subject to four-eye review for quality control purposes.

6.2.5 Determining check 'failures' and applying error codes

Where a test is 'failed' based on the criteria set out above, it will be assigned an error code to enable the nature of the issue to be categorised for reporting purposes. Error codes will be allocated at the 'Sub-Check Level' e.g. DAC1, DAC2, DAC3, DVC1 and DVC2.

Each error code has been assigned a risk rating to indicate the potential severity of the issue identified. Depending on the results of initial testing, the Service Provider may discuss with ESNZ whether it would be appropriate to apply thresholds / tolerances in relation to certain types of error codes (i.e. such that only errors outside of tolerances are considered reportable). [Appendix 8](#) contains a breakdown of error codes.

7. Reporting

This section sets out the different types of reporting that the Service Providers will produce during the delivery of the engagement. Service Providers will report in three formats as follows:

Section	Reporting type	Timing	Report Description

7.1	Routine progress reporting	During daily / weekly update calls, or immediately where significant issues require escalation.	Regular oral updates as part of routine engagement progress reporting.
			In some cases, where agreed with ESNZ, Service Providers may also prepare interim reports setting out preliminary results of testing.
7.2	Testing round reporting - Supplier reports	At conclusion of each testing round	Results of testing of sampled meters for each supplier.
7.2	Testing round reporting - Market reports	At conclusion of each testing round	Analysis of testing results of all sampled meters considering relative performance of suppliers.

7.1 Routine progress reporting

Service Providers have agreed a routine daily / weekly pattern of progress reporting meetings with ESNZ during which they will report on any significant matters that require ESNZ' immediate attention. As well as providing updates on overall progress through our analysis, significant issues identified during the performance of checks will be escalated to ESNZ during these regular meetings, or on an ad hoc basis if required.

In some cases, where agreed with ESNZ, Service Providers may prepare interim reports setting out preliminary results of testing (for example, to inform discussion during Payment Board meetings).

7.2 Testing round reporting - Supplier reports

At the conclusion of each testing round Service Providers will provide an ESNZ-branded report for each supplier included within the testing round setting out the results of analysis.

Supplier reports will consist of:

1. A dashboard summarising the results of analysis for the supplier, including for example:
 - An overall supplier rating based on the categories described below;
 - Numbers of meters for which testing has been performed;
 - Percentage pass / fail rates across each of the checks / sub-checks / tests including highlighting where analysis could not be performed due to incomplete or poor quality data¹⁶; and
 - Qualitative commentary on the nature and potential causes of 'failures' observed during the analysis.
2. A summary of the outcome of billing controls reviews performed during the testing round.
3. Commentary on other matters identified through the analysis that the Service Provider believes warrants ESNZ' attention, if any.
4. A meter-level breakdown of all check / sub-check / test results for all meters included within the sample for the supplier.

Supplier report ratings will be assigned by Service Providers considering their assessment of the overall result of checks and the results of the billing controls reviews.

Ratings will be assigned considering the following criteria:

Supplier rating	Example criteria
Green	• No issues identified through testing
Yellow	• Minor isolated issues identified

¹⁶ For energy suppliers with small market shares, we may also report actual numbers of results given the resulting small sample sizes to provide a clear picture of the outcome of the tests

Amber	• Multiple issues identified • Indications of systematic errors in application of Scheme guidance
Red	• Extensive issues identified • Indication of systematic errors in application of Scheme guidance leading to significant financial impact • Indications of fraud or other intentional malfeasance
N/A	• Testing could not be performed due to lack of data provided by the supplier <i>(not expected to occur as there will be ongoing engagement by the Service Providers and ESNZ to obtain data to perform the checks as described earlier in this document)</i>

If it becomes apparent during testing that a supplier report is likely to be considered to have a 'red' rating, this will be discussed with ESNZ immediately as part of regular reporting and prior to issuing the written report.

The purpose of the summary rating will be to provide ESNZ with a clear, simple indication of the extent of issues identified in relation to each supplier. ESNZ may determine that follow up action is required in relation to issues identified by the analysis regardless of the overall rating applied to the report. Potential drivers for follow up action are described further in [Section 7.4](#).

7.3. Testing round reporting - Market-level reports

In addition to the supplier reports, Service Providers will also produce an ESNZ-branded market-level report that will set out the results of the analysis across all suppliers included within the testing round.

The objective of the market-level report will be to allow ESNZ to understand the relative performance of suppliers and to consider whether there are any market-wide issues (such as misinterpretation of the Scheme guidance) that require broader action across suppliers to resolve.

The market-level report will consist of:

- A dashboard showing the relative performance of all suppliers included within the testing round, considering overall supplier ratings, levels of pass / fail rates of individual checks / sub-checks / tests and the results of the billing controls reviews; and
- Qualitative commentary on the relative performance of suppliers and any trends observed across the supplier-level results.

7.4 Interpreting results of the analysis and determining next steps

At the conclusion of each testing round and based on the results set out in supplier and market-level reports, we will support ESNZ to assess what follow up actions may be required, if any.

ESNZ will need to consider whether it is necessary to perform follow up action in relation to any of the following types of issues arising from the Discount Application Check and the Data Validation Check, while also considering the results of billing controls reviews and any other information that comes to light during the review.

The table below sets out the different levels at which 'issues' may be identified from the Discount Application Check and the Data Validation Check where ESNZ may determine that follow up action is required.

Issue type	ESNZ issue considerations
(1) Individual test failure on an individual meter	ESNZ may determine further action is required in relation to an individual failure on an individual meter. Such action may be subject to the application of appropriate thresholds and/or tolerances as noted above. Follow up action may also be determined subject to the potential impact of an identified failure (e.g. where the failure has a material impact on the value of a discount claimed by a supplier).
(2) Multiple test failures on an individual meter	Issue considerations in (1) above apply. Multiple failures on the same meter may point to more fundamental issues with the supplier's application of the discount calculation methodology.
(3) Multiple test failures across	Issues considerations in (1) and (2) above apply.

multiple meters for the same supplier	It may be the case that individually these issues do not warrant further action in of themselves, but when a supplier-wide view is taken, further action is deemed necessary. This may be particularly the case where issues are concentrated in a particular area (for example, issues with calculations for a particular tariff type which could be indicative of more systematic failure by the supplier).
(4) Relative results of a supplier	Supplier is an outlier by reference to their peer group considering issues in (1) to (3)
(5) Thematic issues impacting multiple suppliers	It may be the case that test results point to thematic issues that impact multiple suppliers. For example, multiple suppliers may be misinterpreting the Scheme guidance such that additional clarification is required.

Service Providers' follow up action in response to identified issues will be determined by ESNZ and is expected to fall into one of the following categories (ordered by level of effort required to complete):

Service Provider follow up action type	ESNZ issue considerations
Clarification with the supplier	The results of checks will initially be discussed with ESNZ who may direct us to re-engage with the supplier to discuss issues identified to understand their root cause. This would be additional to any routine engagement and clarification with suppliers as part of the performance of the checks.
Expanded sample in later testing rounds	ESNZ may instruct us to target sample selection on particular suppliers in later rounds of testing. ESNZ may also instruct us to prioritise certain suppliers in later testing rounds.
<i>Additional requirements as set out in Schedule 20 of our agreement</i>	
Select additional samples for immediate review	ESNZ may instruct us to perform additional sample checks in relation to a supplier outside of the standard testing rounds (e.g. as with the Expedited Suppliers in testing round 1).
Non-standard case assessments	ESNZ may instruct us to provide assistance in relation to the assessment of non-standard cases.
Forensic audit of supplier	ESNZ may instruct us to perform a forensic audit of the supplier.
Support in relation to disputed supplier claim	ESNZ may request support in relation to disputed supplier claims.
Support with enforcement and recovery action	ESNZ may request support in relation to engagement with Ofgem, enforcement action against a supplier and/or recovery action where there is evidence of fraud or error in supplier claims.
End-user reviews	ESNZ may instruct us to perform end-user testing which may include direct engagement

	with end-users or energy suppliers where evidence of non-compliance is identified.
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Appendix 1 - Baseline Supplier Population

Ref	Supplier	Type
1	3T	
2	Avanti gas	
3	Axpo UK	
4	Barrow Shipping	
5	BES Utilities	
6	BP	
7	Brook Green Supply	
8	Bryt Energy	
9	Budget Energy	
10	Bulb	
11	Business Power & Gas	
12	Centrica	
13	Ceres Energy	
14	Click Energy	
15	Corona Energy	Audited Supplier
16	Crown Gas	
17	D Energi	
18	Delta Gas and power	
19	Drax	
20	Dyce Energy	
21	Ecotricity	
22	EDF Energy	Audited Supplier
23	Edgware Energy Limited	Audited Supplier
24	Electric Ireland	
25	EnDCo	
26	Eneco	
27	Engie	
28	Eni Energy	
29	EON Next	

30	EON Npower	
31	Farringdon Energy	
32	Firmus Energy	
33	Flexitricity	
34	Flogas	
35	FS Energy	
36	Go Power	
37	Good Energy	
38	Green Energy (GEUK)	
39	Hartree Partners	
40	Home Energy	
41	Limejump	Audited Supplier
42	Logicor Energy	
43	Marble Power	
44	Maxen Power	
45	Octopus Energy	
46	Opus Energy	
47	Orsted	Audited Supplier
48	Osso Energy	
49	Ovo Energy	Audited Supplier
50	Power NI	
51	Pozitive Energy	
52	PX Limited	
53	Regent Gas	
54	RWE	Audited Supplier
55	Scottish Power	
56	Sefe Energy	Audited Supplier
57	Sembcorp	
58	Shell Energy	
59	Smartest Energy	
60	Smartest Energy Business	
61	Squeaky Energy	
62	SSE	

63	SSE Airtricity	
64	Switch Business Gas & Power	
65	Total Energy	
66	Tru Energy	
67	UK Gas Supply	
68	Unify Energy	
69	United Gas and Power	
70	Utilita	
71	Utility Warehouse	
72	Valda Energy	
73	Verastar	Audited Supplier
74	Yorkshire Gas and Power	
75	Yu Energy	

Appendix 2 - Draft briefing email to be sent to supplier by ESNZ

To be provided as a separate file.

Appendix 3 - Initial contact email to suppliers sent by Primary Service Provider

To be provided as a separate file.

Appendix 4 - RFI template

To be provided as a separate file.

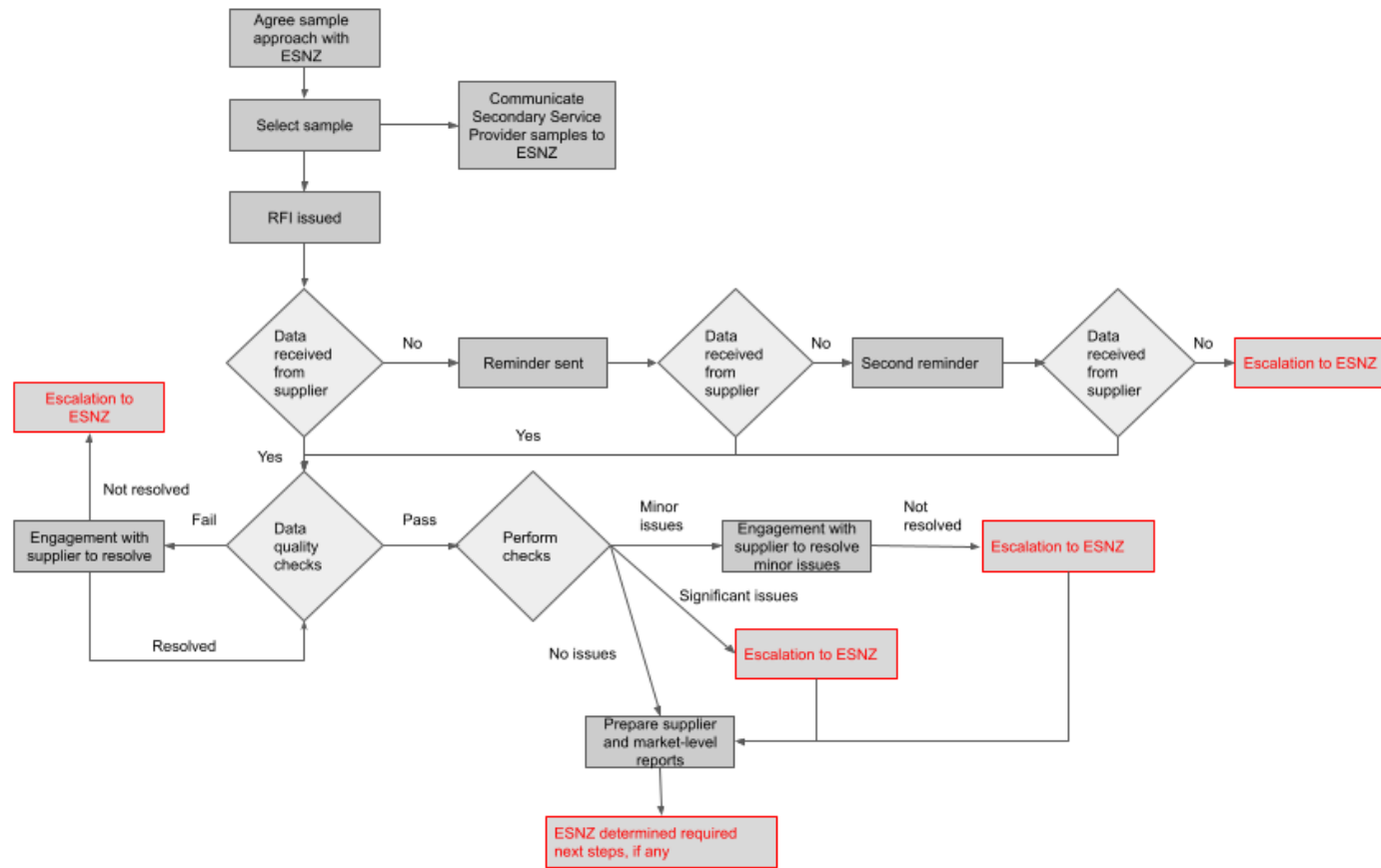
Appendix 5 - Programme timeline

To be provided as a separate file.

Appendix 6 - Expedited Suppliers review approach

[Redacted - Primary Service Provider specific information]

Appendix 7 - Performing checks - process flow



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Appendix 8 - Error coding

[In development for discussion with ESNZ]

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Appendix 9 - Testing Round 1

[In development - to be issued once completed]

Content:

- 1. Work Order Spend Approval Process**
- 2. Pricing and Payment**

1. Work Order Spend Approval Process

1 Definitions

In this Schedule, the following words shall have the following meanings and they shall supplement Joint Schedule 1 (Definitions):

"Work Order"	means the completed work order details in the form appended to Appendix 3 which is prepared by the Buyer and is based on the Work Order Request;
"Work Order Request"	means a completed Work Order Request in the form appended to Appendix 2 below and as referenced in Clause Raising of Work Order Request below;
"Work Order Services"	means any services which under this Call-Off Contract are to be provided on a time and materials basis under the Work Order (which for the avoidance of doubt shall not include any work which falls under the Fixed Price element of the Services).

2 Identification of the requirement for Work Order Services

- 1.1 When a possible requirement for Work Order Services to be carried out by the Supplier is raised by either Party, the Parties agree to meet to discuss the requirement in detail.
- 1.2 The Parties shall (each acting reasonably) agree whether the required services:
 - (a) are Work Order Services; and
 - (b) are within the scope of the Call-Off Contract and the Framework Contract with the reference number [x].
- 1.3 Where the Parties are unable to reach an agreement under Clause The Parties shall (each acting reasonably) agree whether the required services: above, the dispute shall be referred to the Dispute Resolution Procedure set out in Clause 34 of the Core Terms (Resolving disputes).
- 1.4 Where Parties reach an agreement under Clause The Parties shall (each acting reasonably) agree whether the required services: above and the Buyer determines (in its sole discretion) that the Work Order Services are required, the Parties agree to follow the process in this Call-Off Schedule 5 (Pricing Details).

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3 Raising of Work Order Request

1.5 Subject to Clause Identification of the requirement for Work Order above, the Supplier shall submit a Work Order Request to the Buyer within [two (2)] Working Days of the confirmations provided in Clause The Parties shall (each acting reasonably) agree whether the required services: above which shall include the following information:

- (a) detailed scope and deliverable outcome for the Work Order Services;
- (b) a detailed quotation for the services to be provided under the Work Order which shall include:
 - (i) the number of Supplier staff required;
 - (ii) the number of days and/or hours required to be undertaken by the Supplier's staff to deliver the Work Order Services;
 - (iii) the daily and/or hourly rates (which for the avoidance of doubt shall be in accordance with the Rate Card for Time and Materials listed above) based on the appropriate Supplier Staff required to complete the Work Order Services; and
 - (iv) the total price for the Work Order Services; and
- (c) the proposed delivery date for the completion of the Work Order Services.

1.6 The Supplier shall submit any Work Order Request in accordance with Clause Subject to Clause Identification of the requirement for Work Order above, the Supplier shall submit a Work Order Request to the Buyer within [two (2)] Working Days of the confirmations provided in Clause The Parties shall (each acting reasonably) agree whether the required services: above which shall include the following information: above to the appropriate Buyer approval level based on the total price for the Work Order request which is detailed in Appendix 1 (Work Order Approval Levels). To the extent that the appropriate person is not available to approve the Work Order Request, the Supplier shall seek a higher level of approval. The Buyer's Contract Manager may amend the Work Order Approval Levels on written notice to the Supplier from time to time.

4 Buyer Approval of the Work Order Request

- 1.7 The Buyer shall review all details of the Work Order Request, and confirm to the Supplier:
- (a) whether the scope of the Work Order Services is correct and provides sufficient detail to allow the Work Order Services to be completed in accordance with the Buyer's requirements;
 - (b) whether a full and detailed quotation is provided and that the Buyer accepts the Supplier's quotation;
 - (c) whether it accepts the proposed delivery date for the completion of the Work Order Services;
 - (d) (referring to its version of the Purchase Order Control Summary which is contained in Appendix 5 and is required to update in accordance with Clause Invoicing and Statements) that the

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Buyer has sufficient budget remaining under the Call-Off Contract in respect Work Order Services; and

- (e) that the Buyer's internal approval has been provided at the correct level as detailed within Appendix 1.

- 1.8 Where the Buyer does not agree with the details provided in the Work Order Request the Supplier shall consider the Buyer's comments and submit a revised Work Order Request within [two (2)] Working Days.

5 Issuing of Work Order and Work Order Number

- 1.9 Where the Buyer is satisfied with the Work Order Request submitted by the Supplier under Clause Buyer Approval of the Work Order Request above, the Buyer shall issue a Work Order and Work Order number, referencing the relevant Work Order Request.
- 1.10 The Buyer shall maintain a record of completed Work Orders in the form of the Purchase Order Control Summary contained in Appendix 5. Each Party shall update this following the Supplier's issuance of an approved invoice in accordance with this Clause Invoicing and Statements.

6 Approval of completed services under the Work Order

- 1.11 The Supplier shall complete all Work Order Services in accordance with this Call-Off Contract and the Work Order. The Buyer shall measure all aspects of the delivery of the services provided under the Work Order to ensure that the Deliverables have been provided in accordance with the Call-Off Contract and in the agreed timescales.
- 1.12 For the avoidance of doubt, the Suppliers the total price for the Work Order Services provided in accordance with Clause the total price for the Work Order Services; and above shall be capped at such amount and the Supplier shall not be entitled to any payment in excess of this amount unless agreed between the Parties through the submission and approval of a further Work Order Request.

7 Invoicing and Statements

- 1.13 The Supplier shall issue the invoices and the Buyer shall process and pay all approved invoices in accordance with Clause Buyer Approval of the Work Order Request of the Core Terms.
- 1.14 The Parties agree to each maintain a record of completed Work Orders in the form of the Purchase Order Control Summary contained in Appendix 5. Each Party shall update this following the Supplier's issuance of an approved invoice in accordance with this Clause Invoicing and Statements.

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Appendix 1 – Work Order Approval Levels (Buyer Internal)

Time & Material Spend Approval Process – Approval Levels				
Approval Level	SPEND (up-to)	Sign-Off Required: (Title)	Sign-Off Required: (Name)	E-Mail:
Level 1	Spend up to £[to insert] – TBD			
Level 2	Spend up to £[to insert] – TBD			
Level 3	Spend up to £[to insert] – TBD			

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Appendix 2 – Work Order Request

Work Order Request (please use / insert additional documents as required).

Work Order Request (for Time and Materials Spend Instruction and Approval)	
Contract and Supplier Details:	[insert here]
Title of Work Order Request:	[insert here]
Date of Work Order Request:	[insert here]
Work Order Initiated by:	[insert here]
Details of services to be provided under this Work Order and agreed outcomes. To include full scope, impact, benefits, value and all deliverables under the proposed Work Order.	[insert details or reference documents as required]
Full Quotation	[Insert here (The quotation shall include details of the number of days / hours required to be undertaken by the Supplier staff to deliver the Work Order services multiplied by the day hourly rates as detailed within contract Call Off Schedule 5 (Pricing Details), for the seniority and number of staff required.)]
Delivery Timeline	[insert here]

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Appendix 3 – Work Order

The following template to be used for the issuing of an approved Work Order.

Work Order (Time and Materials Spend Instruction and Approval)	
Contract and Supplier Details:	[insert here]
Work Order Number:	[insert here]
Title of Work Order:	[insert here]
Date of Issue of Work Order:	[insert here]
Work Order Request:	[Insert title / date / reference of Work Order Request and attach Work Order Request to this Work Order]
Work Order Initiated by:	[insert here]
Work Order Approved by: <i>(Buyer's Internal Approval)</i>	[insert here]
Work Order Services:	[Insert details of all services to be provided under this Work Order, detailing the required outcomes]
Work Order Quotation	[insert full quotation]
Delivery Timeline:	[insert here]
Buyer Approval of Work Order	[confirm all approval details]

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Appendix 4 – Work Order Control Summary

Time & Material Spend Approval – Work Order Control Summary											
Work Order:	Date W/O instructions issued:	Brief Description:	W/O Work Forecast Completion Date:	Supplier Quotation:	W/O Buyer Approval (Approver name):	W/O Buyer Approval Date:	W/O Work Completed (date)	Buyer work sign-off (name):	Buyer work sign-off (date):	Invoice Value:	Invoice Approval Date:
001	x/x/x	xxx.	x/x/x	£xxxxxx	EF	x/x/x	x/x/x	xx	x/x/x	£xxxxxx	x/x/x
002											
003											

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Appendix 5 – Purchase Order Control Schedule

Purchase Order Control Schedule			
Contract and Supplier Details	[insert here]		
Purchase Order (Title, Date, Number & Value)	[insert PO title and date]	[insert PO number]	Initial Value: £xxxxxxx (ex VAT)
Invoices paid against PO:	Invoice Date	Invoice Value (ex VAT)	Purchase Order Available Balance
Invoice Raised and Approved: [insert details]	[insert invoice date]	[insert invoice value]	£xxxx [balance as at – insert date]
Invoice Raised and Approved [insert details]	[insert invoice date]	[insert invoice value]	£xxxx [balance as at – insert date]
Invoice Raised and Approved [insert details]	[insert invoice date]	[insert invoice value]	£xxxx [balance as at – insert date]
Invoice Raised and Approved [insert details]	[insert invoice date]	[insert invoice value]	£xxxx [balance as at – insert date]

2 – Pricing and Payments

8 Pricing and payments

1780190946.1 For each monthly billing cycle, the following process shall be followed by both Parties:

- (a) The Supplier shall by no later than 17.00 (UK time) on the second last working day of the relevant month, provide to the Buyer a best estimate of any Deliverables which are:
 - (i) Fixed Price Charges; and
 - (ii) outside of the Fixed Price Charges,that the Supplier will have properly incurred for the relevant monthly period.
- (b) The Supplier shall no later than [2] working days following the end of the relevant monthly period provide to the Buyer a statement detailing the Deliverables in 4.1(a)(i) to 4.1(a)(ii) above provided in the previous month together with a detailed breakdown of the Deliverables provided and a detailed breakdown of the costs for each element of the Deliverables and justification for the costs incurred in accordance with Clause For each monthly billing cycle, the following process shall be followed by both Parties:**Error! Not a valid bookmark self-reference.** below (the "**Financial Statement**").
- (c) The Financial Statement shall include but not be limited to the following information:
 - (i) a comprehensive summary of the Deliverables provided (1 page (indicative));
 - (ii) the total price for the Deliverables completed in the relevant month compared against the total price for the Work Order;
 - (iii) a breakdown of the cost incurred based on:
 - (A) each element of the Deliverables; and
 - (B) the time incurred (days/hours) by each job title of the Supplier's personnel with reference to their rate on the Rate Card for Time and Materials.
- (d) The Buyer shall review and respond to the Financial Statement within [5] Working Days of receipt to confirm that the Deliverables detailed within the Financial Statement:
 - (i) have been supplied to the Buyer to an acceptable standard in accordance with Call-Off Schedule 14 (Service Levels);
 - (ii) are within the agreed costs signed off by the Buyer prior to commencement of the Deliverables;
 - (iii) are in line with any relevant instructions provided by the Buyer;
 - (iv) are within the scope of this Agreement; and
 - (v) either:
 - (A) provide approval for an Invoice to be raised; or

- (B) ask for further details or adjustments as required and thereafter both Parties shall respond in a prompt manner, both acting reasonably in the provision of further details or agreeing any adjustments and to the extent that the Parties cannot agree on the further details or adjustments the Parties shall refer the issue to the Dispute Resolution Procedure set out in Clause 34 of the Core Terms (Resolving disputes).
- (e) The Supplier shall ensure timely billing for the previous month and shall ensure that invoices for Deliverables are raised in the subsequent month to which the Deliverables were rendered or the expense incurred in accordance with this Clause Pricing and payments.
- (f) Following the Buyer's approval of the Financial Statement in accordance with Clause For each monthly billing cycle, the following process shall be followed by both Parties: The Buyer shall review and respond to the Financial Statement within [5] Working Days of receipt to confirm that the Deliverables detailed within the Financial Statement: above, the Supplier shall raise an Electronic Invoice in accordance with this Clause Pricing and payments and submit the invoice by email to finance@services.uksp.co.uk. A copy of the invoice must also be provided by email to the Buyer's Contract Manager.
- (g) The Buyer's Contract Manager shall be responsible for arranging the Buyer's approval of invoices with final approval being given in collaboration with the Buyer's operational team.
- (h) The Buyer's Contract Manager shall share a copy any approved invoices with the Buyer's Finance Business Partner.



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Service

RM6188 A&AS Core Terms

1. Definitions used in the contract

Interpret this Contract using Joint Schedule 1 (Definitions).

2. How the contract works

- 2.1 The Supplier is eligible for the award of Call-Off Contracts during the Framework Contract Period.
- 2.2 CCS does not guarantee the Supplier any exclusivity, quantity or value of work under the Framework Contract.
- 2.3 CCS has paid one penny to the Supplier legally to form the Framework Contract. The Supplier acknowledges this payment.
- 2.4 If the Buyer decides to buy Deliverables under the Framework Contract it must use Framework Schedule 7 (Call-Off Award Procedure) and must state its requirements using Framework Schedule 6 (Order Form Template and Call-Off Schedules). If allowed by the Regulations, the Buyer can:
- (a) make changes to Framework Schedule 6 (Order Form Template and Call-Off Schedules);
 - (b) create new Call-Off Schedules;
 - (c) exclude optional template Call-Off Schedules; and/or
 - (d) use Special Terms in the Order Form to add or change terms.
- 2.5 Each Call-Off Contract:
- (a) is a separate Contract from the Framework Contract;
 - (b) is between a Supplier and a Buyer;
 - (c) includes Core Terms, Schedules and any other changes or items in the completed Order Form; and
 - (d) survives the termination of the Framework Contract.
- 2.6 Where the Supplier is approached by any Other Contracting Authority requesting Deliverables or substantially similar goods or services, the Supplier must tell them about this Framework Contract before accepting their order.
- 2.7 The Supplier acknowledges it has all the information required to perform its obligations under each Contract before entering into a Contract. When information is provided by a Relevant Authority no warranty of its accuracy is given to the Supplier.
- 2.8 The Supplier will not be excused from any obligation, or be entitled to additional Costs or Charges because it failed to either:

- (a) verify the accuracy of the Due Diligence Information; or
- (b) properly perform its own adequate checks.

2.9 To the extent consistent with the requirements of any Law, CCS and the Buyer will not be liable for errors, omissions or misrepresentation of any information.

2.10 The Supplier warrants and represents that all statements made and documents submitted as part of the procurement of Deliverables are and remain true and accurate.

3. What needs to be delivered

3.1 All deliverables

3.1.1 The Supplier must provide Deliverables:

- (a) that comply with the Specification, the Framework Tender Response and, in relation to a Call-Off Contract, the Call-Off Tender (if there is one);
- (b) to a professional standard;
- (c) using reasonable skill and care;
- (d) using Good Industry Practice;
- (e) using its own policies, processes and internal quality control measures as long as they do not conflict with the Contract;
- (f) on the dates agreed; and
- (g) that comply with Law.

3.1.2 The Supplier must provide Deliverables with a warranty of at least 90 days from Delivery against all obvious defects. Notwithstanding the foregoing, it is acknowledged that professional advice and reports will only be warranted as accurate as at the date of the report.

3.2 Goods clauses

3.2.1 All Goods delivered must be new, or as new if recycled, unused and of recent origin.

3.2.2 All manufacturer warranties covering the Goods must be assignable to the Buyer on request and for free.

3.2.3 The Supplier transfers ownership of the Goods on Delivery or payment for those Goods, whichever is earlier.

3.2.4 Risk in the Goods transfers to the Buyer on Delivery of the Goods, but remains with the Supplier if the Buyer notices damage following Delivery and lets the Supplier know within 3 Working Days of Delivery.

3.2.5 The Supplier warrants that it has full and unrestricted ownership of the Goods at the time of transfer of ownership.

3.2.6 The Supplier must deliver the Goods on the date and to the specified location

during the Buyer's working hours.

- 3.2.7** The Supplier must provide sufficient packaging for the Goods to reach the point of Delivery safely and undamaged.
- 3.2.8** All deliveries must have a delivery note attached that specifies the order number, type and quantity of Goods.
- 3.2.9** The Supplier must provide all tools, information and instructions the Buyer needs to make use of the Goods.
- 3.2.10** The Supplier must indemnify the Buyer against the costs of any Recall of the Goods and give notice of actual or anticipated action about the Recall of the Goods.
- 3.2.11** The Buyer can cancel any order or part order of Goods which has not been Delivered. If the Buyer gives less than 14 days' notice then it will pay the Supplier's reasonable and proven costs already incurred on the cancelled order as long as the Supplier takes all reasonable steps to minimise these costs.
- 3.2.12** The Supplier must at its own cost repair, replace, refund or substitute (at the Buyer's option and request) any Goods that the Buyer rejects because they do not conform with Clause 3. If the Supplier does not do this it will pay the Buyer's costs including repair or re-supply by a third party.

3.3 Services clauses

- 3.3.1** Late Delivery of the Services will be a Default of a Call-Off Contract.
- 3.3.2** The Supplier must cooperate with the Buyer and third party suppliers on all aspects connected with the Delivery of the Services and ensure that Supplier Staff comply with any reasonable instructions.
- 3.3.3** The Supplier must at its own risk and expense provide all Supplier Equipment required to Deliver the Services.
- 3.3.4** The Supplier must allocate sufficient resources and appropriate expertise to each Contract.
- 3.3.5** The Supplier must take all reasonable care to ensure performance does not disrupt the Buyer's operations, employees or other contractors.
- 3.3.6** The Supplier must ensure all Services, and anything used to Deliver the Services, are of good quality and free from defects.
- 3.3.7** The Buyer is entitled to withhold payment for partially or undelivered Services, but doing so does not stop it from using its other rights under the Contract.

4. Pricing and payments

- 4.1 In exchange for the Deliverables, the Supplier must invoice the Buyer for the Charges in the Order Form.
- 4.2 CCS must invoice the Supplier for the Management Charge and the Supplier must pay it using the process in Framework Schedule 5 (Management Charges and Information).
- 4.3 All Charges and the Management Charge:
- (a) exclude VAT, which is payable on provision of a valid VAT invoice; and
 - (b) include all costs connected with the Supply of Deliverables.
- 4.4 The Buyer must pay the Supplier the Charges within 30 days of receipt by the Buyer of a valid, undisputed invoice, in cleared funds using the payment method and details stated in the Order Form.
- 4.5 A Supplier invoice is only valid if it:
- (a) includes all appropriate references including the Contract reference number and other details reasonably requested by the Buyer;
 - (b) includes a detailed breakdown of Delivered Deliverables and Milestone(s) (if any); and
 - (c) does not include any Management Charge (the Supplier must not charge the Buyer in any way for the Management Charge).
- 4.6 The Buyer must accept and process for payment an undisputed Electronic Invoice received from the Supplier.
- 4.7 The Buyer may retain or set-off payment of any amount owed to it by the Supplier if notice and reasons are provided.
- 4.8 The Supplier must ensure that all Subcontractors are paid, in full, within 30 days of receipt of a valid, undisputed invoice. If this does not happen, CCS or the Buyer can publish the details of the late payment or non-payment.
- 4.9 If CCS or the Buyer can get more favourable commercial terms for the supply at cost of any materials, goods or services used by the Supplier to provide the Deliverables, then CCS or the Buyer may require the Supplier to replace its existing commercial terms with the more favourable terms offered for the relevant items.
- 4.10 If CCS or the Buyer uses Clause 4.9 then the Framework Prices (and where applicable, the Charges) must be reduced by an agreed amount by using the Variation Procedure.
- 4.11 The Supplier has no right of set-off, counterclaim, discount or abatement

unless they are ordered to do so by a court.

5. The buyer's obligations to the supplier

5.1 If Supplier Non-Performance arises from an Authority Cause:

- (a) neither CCS nor the Buyer can terminate a Contract under Clause 10.4.1;
- (b) the Supplier is entitled to reasonable and proven additional expenses and to relief from liability and Deduction under this Contract;
- (c) the Supplier is entitled to additional time needed to make the Delivery; and
- (d) the Supplier cannot suspend the ongoing supply of Deliverables.

5.2 Clause 5.1 only applies if the Supplier:

- (a) gives notice to the Party responsible for the Authority Cause within 10 Working Days of becoming aware;
- (b) demonstrates that the Supplier Non-Performance would not have occurred but for the Authority Cause; and
- (c) mitigated the impact of the Authority Cause.

6. Record keeping and reporting

6.1 The Supplier must attend Progress Meetings with the Buyer and provide Progress Reports when specified in the Order Form.

6.2 The Supplier must keep and maintain full and accurate records and accounts on everything to do with the Contract:

- (a) during the Contract Period;
- (b) for 7 years after the End Date; and
- (c) in accordance with GDPR, including but not limited to the records and accounts stated in the definition of Audit in Joint Schedule 1.

6.3 The Relevant Authority or an Auditor can Audit the Supplier.

6.4 During an Audit, the Supplier must:

- (a) allow the Relevant Authority or any Auditor access to their premises to verify all contract accounts and records of everything to do with the Contract and provide copies for an Audit; and
- (b) provide information to the Relevant Authority or to the Auditor and reasonable co-operation at their request.

6.5 Where the Audit of the Supplier is carried out by an Auditor, the Auditor shall be entitled to share any information obtained during the Audit with the Relevant Authority and the Relevant Authority shall use reasonable endeavours to

ensure that its Auditor does not unreasonably disrupt the Supplier or its provision of the Deliverables, save insofar as the Supplier accepts and acknowledges that Audits carried out by Auditors are outside the control of the Relevant Authority.

6.6 If the Supplier is not providing any of the Deliverables, or is unable to provide them, it must immediately:

- (a) tell the Relevant Authority and give reasons;
- (b) propose corrective action; and
- (c) provide a deadline for completing the corrective action.

6.7 The Supplier must provide CCS with a Self-Audit Certificate supported by an audit report at the end of each Contract Year. The report must contain:

- (a) the methodology of the review;
- (b) the sampling techniques applied;
- (c) details of any issues; and
- (d) any remedial action taken.

6.8 The Self Audit Certificate must be completed and signed by an auditor or senior member of the Supplier's management team that is qualified in either a relevant audit or financial discipline.

7. Supplier staff

7.1 The Supplier Staff involved in the performance of each Contract must:

- (a) be appropriately trained and qualified;
- (b) be vetted using Good Industry Practice and the Security Policy; and
- (c) comply with all conduct requirements when on the Buyer's Premises.

7.2 Where a Buyer decides one of the Supplier's Staff is not suitable to work on a contract, the Supplier must replace them with a suitably qualified alternative.

7.3 If requested, the Supplier must replace any person whose acts or omissions have caused the Supplier to breach Clause 27.

7.4 The Supplier must provide a list of Supplier Staff needing to access the Buyer's Premises and say why access is required.

7.5 The Supplier indemnifies CCS and the Buyer against all claims brought by any person employed by the Supplier caused by an act or omission of the Supplier or any Supplier Staff.

7.6 The Buyer agrees that it shall give the Supplier reasonable notice if it intends to make an offer of employment to any Supplier Staff whose employment by the

Buyer would lead to the Supplier being unable to provide the Deliverables in accordance with the requirements of any Law.

8. Rights and protection

8.1 The Supplier warrants and represents that:

- (a) it has full capacity and authority to enter into and to perform each Contract;
- (b) each Contract is executed by its authorised representative;
- (c) it is a legally valid and existing organisation incorporated in the place it was formed;
- (d) there are no known legal or regulatory actions or investigations before any court, administrative body or arbitration tribunal pending or threatened against it or its Affiliates that might affect its ability to perform each Contract;
- (e) it maintains all necessary rights, authorisations, licences and consents to perform its obligations under each Contract;
- (f) it does not have any contractual obligations which are likely to have a material adverse effect on its ability to perform each Contract;
- (g) it is not impacted by an Insolvency Event; and
- (h) it will comply with each Call-Off Contract.

8.2 The warranties and representations in Clauses 2.10 and 8.1 are repeated each time the Supplier provides Deliverables under the Contract.

8.3 The Supplier indemnifies both CCS and every Buyer against each of the following:

- (a) wilful misconduct of the Supplier, Subcontractor and Supplier Staff that impacts the Contract; and
- (b) non-payment by the Supplier of any Tax or National Insurance.

8.4 All claims indemnified under this Contract must use Clause 26.

8.5 The description of any provision of this Contract as a warranty does not prevent CCS or a Buyer from exercising any termination right that it may have for breach of that clause by the Supplier.

8.6 If the Supplier becomes aware of a representation or warranty that becomes untrue or misleading, it must immediately notify CCS and every Buyer.

8.7 All third party warranties and indemnities covering the Deliverables must be assigned for the Buyer's benefit by the Supplier.

9. Intellectual Property Rights (IPRs)

9.1 Each Party keeps ownership of its own Existing IPRs. The Supplier gives the

Buyer a non-exclusive, perpetual, royalty-free, irrevocable, transferable worldwide licence to use the Supplier's Existing IPR to enable it to both:

- (a) receive and use the Deliverables; and
- (b) make use of the deliverables provided by a Replacement Supplier.

9.2 Any New IPR created under a Contract is owned by the Seller. The Seller gives the Buyer a perpetual, royalty-free, irrevocable, transferable worldwide licence to use any New IPRs created under the Contract.

9.3 Where a Party acquires ownership of IPRs incorrectly under this Contract it must do everything reasonably necessary to complete a transfer assigning them in writing to the other Party on request and at its own cost.

9.4 Neither Party has the right to use the other Party's IPRs, including any use of the other Party's names, logos or trademarks, except as provided in Clause 9 or otherwise agreed in writing.

9.5 If there is an IPR Claim, the Supplier indemnifies CCS and each Buyer against all losses, damages, costs or expenses (including professional fees and fines) incurred as a result.

9.6 If an IPR Claim is made or anticipated the Supplier must at its own expense and the Buyer's sole option, either:

- (a) obtain for CCS and the Buyer the rights in Clause 9.1 and 9.2 without infringing any third party IPR; or
- (b) replace or modify the relevant item with substitutes that do not infringe IPR without adversely affecting the functionality or performance of the Deliverables.

9.7 In spite of any other provisions of a Contract and for the avoidance of doubt, award of a Contract by the Buyer and placement of any contract task under it does not constitute an authorisation by the Crown under Sections 55 and 56 of the Patents Act 1977 or Section 12 of the Registered Designs Act 1949. The Supplier acknowledges that any authorisation by the Buyer under its statutory powers must be expressly provided in writing, with reference to the acts authorised and the specific IPR involved.

10. Ending the contract or any subcontract

10.1 Contract Period

10.1.1 The Contract takes effect on the Start Date and ends on the End Date or earlier if required by Law.

10.1.2 The Relevant Authority can extend the Contract for the Extension Period by giving the Supplier no less than 3 Months' written notice before the Contract expires.

10.2 Ending the contract without a reason

10.2.1 CCS has the right to terminate the Framework Contract at any time without reason by giving the Supplier at least 30 days' written notice.

10.2.2 Each Buyer has the right to terminate their Call-Off Contract at any time without reason by giving the Supplier not less than 90 days' written notice.

10.3 Rectification plan process

10.3.1 If there is a Default, the Relevant Authority may, without limiting its other rights, request that the Supplier provide a Rectification Plan.

10.3.2 When the Relevant Authority receives a requested Rectification Plan it can either:

- (a) reject the Rectification Plan or revised Rectification Plan, giving reasons; or
- (b) accept the Rectification Plan or revised Rectification Plan (without limiting its rights) and the Supplier must immediately start work on the actions in the Rectification Plan at its own cost, unless agreed otherwise by the Parties.

10.3.3 Where the Rectification Plan or revised Rectification Plan is rejected, the Relevant Authority:

- (a) must give reasonable grounds for its decision; and
- (b) may request that the Supplier provides a revised Rectification Plan within 5 Working Days.

10.3.4 If the Relevant Authority rejects any Rectification Plan, including any revised Rectification Plan, the Relevant Authority does not have to request a revised Rectification Plan before exercising its right to terminate its Contract under Clause 10.4.3(a).

10.4 When CCS or the buyer can end a contract

10.4.1 If any of the following events happen, the Relevant Authority has the right to immediately terminate its Contract by issuing a Termination Notice to the Supplier:

- (a) there is a Supplier Insolvency Event;
- (b) there is a Default that is not corrected in line with an accepted Rectification Plan;
- (c) the Supplier does not provide a Rectification Plan within 10 days of the request;
- (d) there is any material Default of the Contract;
- (e) there is any material Default of any Joint Controller Agreement relating to any Contract;
- (f) there is a Default of Clauses 2.10, 9, 14, 15, 27, 32 or Framework Schedule 9 (Cyber Essentials) (where applicable) relating to any Contract;

- (g) there is a consistent repeated failure to meet the Performance Indicators in Framework Schedule 4 (Framework Management);
- (h) there is a Change of Control of the Supplier which is not pre-approved by the Relevant Authority in writing;
- (i) if the Relevant Authority discovers that the Supplier was in one of the situations in 57 (1) or 57(2) of the Regulations at the time the Contract was awarded; or
- (j) the Supplier or its Affiliates embarrass or bring CCS or the Buyer into disrepute or diminish the public trust in them.

10.4.2 CCS may terminate the Framework Contract if a Buyer terminates a Call-Off Contract for any of the reasons listed in Clause 10.4.1.

10.4.3 If any of the following non-fault based events happen, the Relevant Authority has the right to immediately terminate its Contract by issuing a Termination Notice to the Supplier:

- (a) the Relevant Authority rejects a Rectification Plan;
- (b) there is a Variation which cannot be agreed using Clause 24 (Changing the contract) or resolved using Clause 34 (Resolving disputes);
- (c) if there is a declaration of ineffectiveness in respect of any Variation; or
- (d) any of the events in 73 (1) (a) or (c) of the Regulations happen.

10.5 When the supplier can end the contract

The Supplier can issue a Reminder Notice if the Buyer does not pay an undisputed invoice on time. The Supplier can terminate a Call-Off Contract if the Buyer fails to pay an undisputed invoiced sum due and worth over 10% of the annual Contract Value within 30 days of the date of the Reminder Notice.

10.6 What happens if the contract ends

10.6.1 Where a Party terminates a Contract under any of Clauses 10.2.1, 10.2.2, 10.4.1, 10.4.2, 10.4.3, 10.5 or 20.2 or a Contract expires all of the following apply:

- (a) The Buyer's payment obligations under the terminated Contract stop immediately.
- (b) Accumulated rights of the Parties are not affected.
- (c) The Supplier must promptly repay to the Buyer any and all Charges the Buyer has paid in advance in respect of Deliverables not provided by the Supplier as at the End Date.
- (d) The Supplier must promptly delete or return the Government Data except where required to retain copies by Law.
- (e) The Supplier must promptly return any of CCS or the Buyer's property provided under the terminated Contract.
- (f) The Supplier must, at no cost to CCS or the Buyer, co-operate fully in the handover and re-procurement (including to a Replacement Supplier).

10.6.2 In addition to the consequences of termination listed in Clause 10.6.1, where

the Relevant Authority terminates a Contract under Clause 10.4.1 the Supplier is also responsible for the Relevant Authority's reasonable costs of procuring Replacement Deliverables for the rest of the Contract Period.

10.6.3 In addition to the consequences of termination listed in Clause 10.6.1, if either the Relevant Authority terminates a Contract under Clause 10.2.1 or 10.2.2 or a Supplier terminates a Call-Off Contract under Clause 10.5:

- (a) the Buyer must promptly pay all outstanding Charges incurred to the Supplier; and
- (b) the Buyer must pay the Supplier reasonable committed and unavoidable Losses as long as the Supplier provides a fully itemised and cost schedule with evidence - the maximum value of this payment is limited to the total sum payable to the Supplier if the Contract had not been terminated.

10.6.4 In addition to the consequences of termination listed in Clause 10.6.1, where a Party terminates under Clause 20.2 each Party must cover its own Losses.

10.6.5 The following Clauses survive the termination or expiry of each Contract: 3.2.10, 4.2, 6, 7.5, 9, 11, 12.2, 14, 15, 16, 17, 18, 31.3, 34, 35 and any Clauses and Schedules which are expressly or by implication intended to continue.

10.7 Partially ending and suspending the contract

10.7.1 Where CCS has the right to terminate the Framework Contract it can suspend the Supplier's ability to accept Orders (for any period) and the Supplier cannot enter into any new Call-Off Contracts during this period. If this happens, the Supplier must still meet its obligations under any existing Call-Off Contracts that have already been signed.

10.7.2 Where CCS has the right to terminate a Framework Contract it is entitled to terminate all or part of it.

10.7.3 Where the Buyer has the right to terminate a Call-Off Contract it can terminate or suspend (for any period), all or part of it. If the Buyer suspends a Contract, it can provide the Deliverables itself or buy them from a third party.

10.7.4 The Relevant Authority can only partially terminate or suspend a Contract if the remaining parts of that Contract can still be used to effectively deliver the intended purpose.

10.7.5 The Parties must agree any necessary Variation required by Clause 10.7 using the Variation Procedure, but the Supplier may not either:

- (a) reject the Variation; or
- (b) increase the Charges, except where the right to partial termination is under Clause 10.2.

10.7.6 The Buyer can still use other rights available, or subsequently available to it if it acts on its rights under Clause 10.7.

10.8 When subcontracts can be ended

At the Buyer's request, the Supplier must terminate any Subcontracts in any of the following events:

- (a) there is a Change of Control of a Subcontractor which is not pre-approved by the Relevant Authority in writing;
- (b) the acts or omissions of the Subcontractor have caused or materially contributed to a right of termination under Clause 10.4; or
- (c) a Subcontractor or its Affiliates embarrasses or brings into disrepute or diminishes the public trust in the Relevant Authority.

11. How much you can be held responsible for

11.1 Each Party's total aggregate liability in each Contract Year under this Framework Contract (whether in tort, contract or otherwise) is no more than £1,000,000.

11.2 Each Party's total aggregate liability in each Contract Year under each Call-Off Contract (whether in tort, contract or otherwise) is a sum equal to one hundred and twenty five percent (125%) of the Estimated Yearly Charges unless specified in the Call-Off Order Form.

11.3 No Party is liable to the other for:

- (a) any indirect Losses; or
- (b) Loss of profits, turnover, savings, business opportunities or damage to goodwill (in each case whether direct or indirect).

11.4 In spite of Clause 11.1 and 11.2, neither Party limits nor excludes any of the following:

- (a) its liability for death or personal injury caused by its negligence, or that of its employees, agents or Subcontractors;
- (b) its liability for bribery or fraud or fraudulent misrepresentation by it or its employees;
- (c) any liability that cannot be excluded or limited by Law;
- (d) its obligation to pay the required Management Charge or Default Management Charge.

11.5 In spite of Clauses 11.1 and 11.2, the Supplier does not limit or exclude its liability for any indemnity given under Clauses 7.5, 8.3(b), 9.5, 31.3 or Call-Off Schedule 2 (Staff Transfer) of a Contract.

11.6 In spite of Clauses 11.1, 11.2 but subject to Clauses 11.3 and 11.4, the Supplier's aggregate liability in each and any Contract Year under each

Contract under Clause 14.8 shall in no event exceed the Data Protection Liability Cap.

11.7 Each Party must use all reasonable endeavours to mitigate any Loss or damage which it suffers under or in connection with each Contract, including any indemnities.

11.8 When calculating the Supplier's liability under Clause 11.1 or 11.2 the following items will not be taken into consideration:

- (a) Deductions; and
- (b) any items specified in Clauses 11.5 or 11.6.

11.9 If more than one Supplier is party to a Contract, each Supplier Party is jointly and severally liable for their obligations under that Contract.

12. Obeying the law

12.1 The Supplier must use reasonable endeavours to comply with the provisions of Joint Schedule 5 (Corporate Social Responsibility).

12.2 To the extent that it arises as a result of a Default by the Supplier, the Supplier indemnifies the Relevant Authority against any fine or penalty incurred by the Relevant Authority pursuant to Law and any costs incurred by the Relevant Authority in defending any proceedings which result in such fine or penalty.

12.3 The Supplier must appoint a Compliance Officer who must be responsible for ensuring that the Supplier complies with Law, Clause 12.1 and Clauses 27 to 32.

13. Insurance

The Supplier must, at its own cost, obtain and maintain the Required Insurances in Joint Schedule 3 (Insurance Requirements) and any Additional Insurances in the Order Form.

14. Data protection

14.1 The Supplier must process Personal Data and ensure that Supplier Staff process Personal Data only in accordance with Joint Schedule 11 (Processing Data).

14.2 The Supplier must not remove any ownership or security notices in or relating to the Government Data.

14.3 The Supplier must make accessible back-ups of all Government Data.

14.4 The Supplier must ensure that any Supplier system holding any Government Data, including back-up data, is a secure system that complies with the Security Policy and any applicable Security Management Plan.

14.5 If at any time the Supplier suspects or has reason to believe that the Government Data provided under a Contract is corrupted, lost or sufficiently degraded, then the Supplier must notify the Relevant Authority and immediately suggest remedial action.

14.6 If the Government Data is corrupted, lost or sufficiently degraded so as to be unusable the Relevant Authority may either or both:

- (a) tell the Supplier to restore or get restored Government Data as soon as practical but no later than 5 Working Days from the date that the Relevant Authority receives notice, or the Supplier finds out about the issue, whichever is earlier; and/or
- (b) restore the Government Data itself or using a third party.

14.7 The Supplier must pay each Party's reasonable costs of complying with Clause 14.6 unless CCS or the Buyer is at fault.

14.8 The Supplier:

- (a) must provide the Relevant Authority with all Government Data in an agreed open format within 10 Working Days of a written request;
- (b) must have documented processes to guarantee prompt availability of Government Data if the Supplier stops trading;
- (c) unless otherwise required by Law, must securely destroy all Storage Media that has held Government Data at the end of life of that media using Good Industry Practice;
- (d) securely erase all Government Data and any copies it holds when asked to do so by CCS or the Buyer unless required by Law to retain it; and
- (e) indemnifies CCS and each Buyer against any and all Losses incurred if the Supplier breaches Clause 14 and any Data Protection Legislation.

15. What you must keep confidential

15.1 Each Party must:

- (a) keep all Confidential Information it receives confidential and secure;
- (b) except as expressly set out in the Contract at Clauses 15.2 to 15.4 or elsewhere in the Contract, not disclose, use or exploit the Disclosing Party's Confidential Information without the Disclosing Party's prior written consent; and
- (c) immediately notify the Disclosing Party if it suspects unauthorised access, copying, use or disclosure of the Confidential Information.

15.2 In spite of Clause 15.1, a Party may disclose Confidential Information which it

receives from the Disclosing Party in any of the following instances:

- (a) where disclosure is required by applicable Law or by a court with the relevant jurisdiction if, to the extent not prohibited by Law, the Recipient Party notifies the Disclosing Party of the full circumstances, the affected Confidential Information and extent of the disclosure;
- (b) if the Recipient Party already had the information without obligation of confidentiality before it was disclosed by the Disclosing Party;
- (c) if the information was given to it by a third party without obligation of confidentiality;
- (d) if the information was in the public domain at the time of the disclosure;
- (e) if the information was independently developed without access to the Disclosing Party's Confidential Information;
- (f) on a confidential basis, to its auditors;
- (g) on a confidential basis, to its professional advisers on a need-to-know basis; or
- (h) to the Serious Fraud Office where the Recipient Party has reasonable grounds to believe that the Disclosing Party is involved in activity that may be a criminal offence under the Bribery Act 2010.

15.3 In spite of Clause 15.1, the Supplier may disclose Confidential Information on a confidential basis to Supplier Staff on a need-to-know basis to allow the Supplier to meet its obligations under the Contract. The Supplier Staff must enter into a direct confidentiality agreement with the Relevant Authority at its request.

15.4 In spite of Clause 15.1, CCS or the Buyer may disclose Confidential Information in any of the following cases:

- (a) on a confidential basis to the employees, agents, consultants and contractors of CCS or the Buyer;
- (b) on a confidential basis to any other Central Government Body, any successor body to a Central Government Body or any company that CCS or the Buyer transfers or proposes to transfer all or any part of its business to;
- (c) if CCS or the Buyer (acting reasonably) considers disclosure necessary or appropriate to carry out its public functions;
- (d) where requested by Parliament; or
- (e) under Clauses 4.7 and 16.

15.5 For the purposes of Clauses 15.2 to 15.4 references to disclosure on a confidential basis means disclosure under a confidentiality agreement or arrangement including terms as strict as those required in Clause 15.

15.6 Transparency Information is not Confidential Information.

15.7 The Supplier must not make any press announcement or publicise the Contracts or any part of them in any way, without the prior written consent of

the Relevant Authority and must take all reasonable steps to ensure that Supplier Staff do not either.

16. When you can share information

16.1 The Supplier must tell the Relevant Authority within 48 hours if it receives a Request For Information.

16.2 Within five (5) Working Days of the Buyer's request the Supplier must give CCS and each Buyer full co-operation and information needed so the Buyer can:

- (a) publish the Transparency Information;
- (b) comply with any Freedom of Information Act (FOIA) request; and/or
- (c) comply with any Environmental Information Regulations (EIR) request.

16.3 The Relevant Authority may talk to the Supplier to help it decide whether to publish information under Clause 16. However, the extent, content and format of the disclosure is the Relevant Authority's decision in its absolute discretion.

17. Invalid parts of the contract

If any part of a Contract is prohibited by Law or judged by a court to be unlawful, void or unenforceable, it must be read as if it was removed from that Contract as much as required and rendered ineffective as far as possible without affecting the rest of the Contract, whether it is valid or enforceable.

18. No other terms apply

The provisions incorporated into each Contract are the entire agreement between the Parties. The Contract replaces all previous statements, agreements and any course of dealings made between the Parties, whether written or oral, in relation to its subject matter. No other provisions apply.

19. Other people's rights in a contract

No third parties may use the Contracts (Rights of Third Parties) Act 1999 (CRTPA) to enforce any term of the Contract unless stated (referring to CRTPA) in the Contract. This does not affect third party rights and remedies that exist independently from CRTPA.

20. Circumstances beyond your control

20.1 Any Party affected by a Force Majeure Event is excused from performing its obligations under a Contract while the inability to perform continues, if it both:

- (a) provides a Force Majeure Notice to the other Party; and

- (b) uses all reasonable measures practical to reduce the impact of the Force Majeure Event.

20.2 Either Party can partially or fully terminate the affected Contract if the provision of the Deliverables is materially affected by a Force Majeure Event which lasts for 90 days continuously.

21. Relationships created by the contract

No Contract creates a partnership, joint venture or employment relationship. The Supplier must represent themselves accordingly and ensure others do so.

22. Giving up contract rights

A partial or full waiver or relaxation of the terms of a Contract is only valid if it is stated to be a waiver in writing to the other Party.

23. Transferring responsibilities

23.1 The Supplier cannot assign, novate or transfer a Contract or any part of a Contract without the Relevant Authority's written consent.

23.2 The Relevant Authority can assign, novate or transfer its Contract or any part of it to any Central Government Body, public or private sector body which performs the functions of the Relevant Authority. The Relevant Authority agrees that before making any assignment, novation or transfer it will provide the Supplier with reasonable notice to allow it to comply with any requirements which may apply to it under any Law.

23.3 When CCS or the Buyer uses its rights under Clause 23.2 the Supplier must enter into a novation agreement in the form that CCS or the Buyer specifies.

23.4 The Supplier can terminate a Contract novated under Clause 23.2 to a private sector body that is experiencing an Insolvency Event.

23.5 The Supplier remains responsible for all acts and omissions of the Supplier Staff as if they were its own.

23.6 If CCS or the Buyer asks the Supplier for details about Subcontractors, the Supplier must provide details of Subcontractors at all levels of the supply chain including:

- (a) their name;
- (b) the scope of their appointment; and
- (c) the duration of their appointment.

24. Changing the contract

24.1 Either Party can request a Variation which is only effective if agreed in writing and signed by both Parties.

24.2 The Supplier must provide an Impact Assessment either:

- (a) with the Variation Form, where the Supplier requests the Variation; or
- (b) within the time limits included in a Variation Form requested by CCS or the Buyer.

24.3 If the Variation cannot be agreed or resolved by the Parties, CCS or the Buyer can either:

- (a) agree that the Contract continues without the Variation; or
- (b) terminate the affected Contract, unless in the case of a Call-Off Contract, the Supplier has already provided part or all of the provision of the Deliverables, or where the Supplier can show evidence of substantial work being carried out to provide them; or
- (c) refer the Dispute to be resolved using Clause 34 (Resolving Disputes).

24.4 CCS and the Buyer are not required to accept a Variation request made by the Supplier.

24.5 If there is a General Change in Law, the Supplier must bear the risk of the change and is not entitled to ask for an increase to the Framework Prices or the Charges.

24.6 If there is a Specific Change in Law or one is likely to happen during the Contract Period the Supplier must give CCS and the Buyer notice of the likely effects of the changes as soon as reasonably practicable. They must also say if they think any Variation is needed either to the Deliverables, Framework Prices or a Contract and provide evidence:

- (a) that the Supplier has kept costs as low as possible, including in Subcontractor costs; and
- (b) of how it has affected the Supplier's costs.

24.7 Any change in the Framework Prices or relief from the Supplier's obligations because of a Specific Change in Law must be implemented using Clauses 24.1 to 24.4.

24.8 For 101(5) of the Regulations, if the Court declares any Variation ineffective, the Parties agree that their mutual rights and obligations will be regulated by the terms of the Contract as they existed immediately prior to that Variation and as if the Parties had never entered into that Variation.

25. How to communicate about the contract

25.1 All notices under the Contract must be in writing and are considered effective on the Working Day of delivery as long as they are delivered before 5:00pm on a Working Day. Otherwise the notice is effective on the next Working Day. An email is effective at 9:00am on the first Working Day after sending unless an error message is received.

25.2 Notices to CCS must be sent to the CCS Authorised Representative's address or email address in the Framework Award Form.

25.3 Notices to the Buyer must be sent to the Buyer Authorised Representative's address or email address in the Order Form.

25.4 This Clause does not apply to the service of legal proceedings or any documents in any legal action, arbitration, or dispute resolution.

26. Dealing with claims

26.1 If a Beneficiary is notified of a Claim, then it must notify the Indemnifier as soon as reasonably practical and no later than 10 Working Days.

26.2 At the Indemnifier's cost the Beneficiary must both:

- (a) allow the Indemnifier to conduct all negotiations and proceedings to do with a Claim; and
- (b) give the Indemnifier reasonable assistance with the claim if requested.

26.3 The Beneficiary must not make admissions about the Claim without the prior written consent of the Indemnifier which cannot be unreasonably withheld or delayed.

26.4 The Indemnifier must consider and defend the Claim diligently using competent legal advisors and in a way that does not damage the Beneficiary's reputation.

26.5 The Indemnifier must not settle or compromise any Claim without the Beneficiary's prior written consent which it must not unreasonably withhold or delay.

26.6 Each Beneficiary must take all reasonable steps to minimise and mitigate any losses that it suffers because of the Claim.

26.7 If the Indemnifier pays the Beneficiary money under an indemnity and the Beneficiary later recovers money which is directly related to the Claim, the Beneficiary must immediately repay the Indemnifier the lesser of either:

- (a) the sum recovered minus any legitimate amount spent by the Beneficiary

- when recovering this money; or
- (b) the amount the Indemnifier paid the Beneficiary for the Claim.

27. Preventing fraud, bribery, and corruption

27.1 The Supplier must not during any Contract Period:

- (a) commit a Prohibited Act or any other criminal offence in the Regulations 57(1) and 57(2); or
- (b) do or allow anything which would cause CCS or the Buyer, including any of their employees, consultants, contractors, Subcontractors, or agents to breach any of the Relevant Requirements or incur any liability under them.

27.2 The Supplier must during the Contract Period:

- (a) create, maintain, and enforce adequate policies and procedures to ensure it complies with the Relevant Requirements to prevent a Prohibited Act and require its Subcontractors to do the same;
- (b) keep full records to show it has complied with its obligations under Clause 27 and give copies to CCS or the Buyer on request; and
- (c) if required by the Relevant Authority, within 20 Working Days of the Start Date of the relevant Contract, and then annually, certify in writing to the Relevant Authority, that they have complied with Clause 27, including compliance of Supplier Staff, and provide reasonable supporting evidence of this on request, including its policies and procedures.

27.3 The Supplier must immediately notify CCS and the Buyer if it becomes aware of any breach of Clauses 27.1 or 27.2 or has any reason to think that it, or any of the Supplier Staff, has either:

- (a) been investigated or prosecuted for an alleged Prohibited Act;
- (b) been debarred, suspended, proposed for suspension or debarment, or is otherwise ineligible to take part in procurement programmes or contracts because of a Prohibited Act by any government department or agency;
- (c) received a request or demand for any undue financial or other advantage of any kind related to a Contract; or
- (d) suspected that any person or Party directly or indirectly related to a Contract has committed or attempted to commit a Prohibited Act.

27.4 If the Supplier notifies CCS or the Buyer as required by Clause 27.3, the Supplier must respond promptly to their further enquiries, co-operate with any investigation and allow the Audit of any books, records and relevant documentation.

27.5 In any notice the Supplier gives under Clause 27.3 it must specify the:

- (a) Prohibited Act;

- (b) identity of the Party who it thinks has committed the Prohibited Act; and
- (c) action it has decided to take.

28. Equality, diversity and human rights

28.1 The Supplier must follow all applicable equality Law when they perform their obligations under the Contract, including:

- (a) protections against discrimination on the grounds of race, sex, gender reassignment, religion or belief, disability, sexual orientation, pregnancy, maternity, age or otherwise; and
- (b) any other requirements and instructions which CCS or the Buyer reasonably imposes related to equality Law.

28.2 The Supplier must take all necessary steps and inform CCS or the Buyer of the steps taken, to prevent anything that is considered to be unlawful discrimination by any court or tribunal, or the Equality and Human Rights Commission (or any successor organisation) when working on a Contract.

29. Health and safety

29.1 The Supplier must perform its obligations meeting the requirements of:

- (a) all applicable Law regarding health and safety; and
- (b) the Buyer's current health and safety policy while at the Buyer's Premises, as provided to the Supplier.

29.2 The Supplier and the Buyer must as soon as possible notify the other of any health and safety incidents or material hazards they are aware of at the Buyer Premises that relate to the performance of a Contract.

30. Environment

30.1 When working on Site the Supplier must perform its obligations under the Buyer's current Environmental Policy, which the Buyer must provide.

30.2 The Supplier must ensure that Supplier Staff are aware of the Buyer's Environmental Policy.

31. Tax

31.1 The Supplier must not breach any Tax or social security obligations and must enter into a binding agreement to pay any late contributions due, including where applicable, any interest or any fines. CCS and the Buyer cannot terminate a Contract where the Supplier has not paid a minor Tax or social security contribution.

31.2 Where the Charges payable under a Contract with the Buyer are or are likely to exceed £5 million at any point during the relevant Contract Period, and an Occasion of Tax Non-Compliance occurs, the Supplier must notify CCS and the Buyer of it within 5 Working Days including:

- (a) the steps that the Supplier is taking to address the Occasion of Tax Non-Compliance and any mitigating factors that it considers relevant; and
- (b) other information relating to the Occasion of Tax Non-Compliance that CCS and the Buyer may reasonably need.

31.3 Where the Supplier or any Supplier Staff are liable to be taxed or to pay National Insurance contributions in the UK relating to payment received under a Call-Off Contract, the Supplier must both:

- (a) comply with the Income Tax (Earnings and Pensions) Act 2003 and all other statutes and regulations relating to income tax, the Social Security Contributions and Benefits Act 1992 (including IR35) and National Insurance contributions; and
- (b) indemnify the Buyer against any Income Tax, National Insurance and social security contributions and any other liability, deduction, contribution, assessment, or claim arising from or made during or after the Contract Period in connection with the provision of the Deliverables by the Supplier or any of the Supplier Staff.

31.4 If any of the Supplier Staff are Workers who receive payment relating to the Deliverables, then the Supplier must ensure that its contract with the Worker contains the following requirements:

- (a) the Buyer may, at any time during the Contract Period, request that the Worker provides information which demonstrates they comply with Clause 31.3, or why those requirements do not apply, the Buyer can specify the information the Worker must provide and the deadline for responding;
- (b) the Worker's contract may be terminated at the Buyer's request if the Worker fails to provide the information requested by the Buyer within the time specified by the Buyer;
- (c) the Worker's contract may be terminated at the Buyer's request if the Worker provides information which the Buyer considers is not good enough to demonstrate how it complies with Clause 31.3 or confirms that the Worker is not complying with those requirements; and
- (d) the Buyer may supply any information they receive from the Worker to HMRC for revenue collection and management.

32. Conflict of interest

32.1 The Supplier must take action to ensure that neither the Supplier nor the Supplier Staff are placed in the position of an actual or potential Conflict of Interest.

32.2 The Supplier must promptly notify and provide details to CCS and each Buyer if a Conflict of Interest happens or is expected to happen.

32.3 CCS and each Buyer can terminate its Contract immediately by giving notice in writing to the Supplier or take any steps it thinks are necessary where there is or may be an actual or potential Conflict of Interest.

33. Reporting a breach of the contract

33.1 As soon as it is aware of it the Supplier and Supplier Staff must report to CCS or the Buyer any actual or suspected breach of:

- (a) Law;
- (b) Clause 12.1; or
- (c) Clauses 27 to 32.

33.2 The Supplier must not retaliate against any of the Supplier Staff who in good faith reports a breach listed in Clause 33.1 to the Buyer or a Prescribed Person.

34. Resolving disputes

34.1 If there is a Dispute, the senior representatives of the Parties who have authority to settle the Dispute will, within 28 days of a written request from the other Party, meet in good faith to resolve the Dispute.

34.2 If the Dispute is not resolved at that meeting, the Parties can attempt to settle it by mediation using the Centre for Effective Dispute Resolution (CEDR) Model Mediation Procedure currently at the time of the Dispute. If the Parties cannot agree on a mediator, the mediator will be nominated by CEDR. If either Party does not wish to use, or continue to use mediation, or mediation does not resolve the Dispute, the Dispute must be resolved using Clauses 34.3 to 34.5.

34.3 Unless the Relevant Authority refers the Dispute to arbitration using Clause 34.4, the Parties irrevocably agree that the courts of England and Wales have the exclusive jurisdiction to:

- (a) determine the Dispute;
- (b) grant interim remedies; and/or
- (c) grant any other provisional or protective relief.

34.4 The Supplier agrees that the Relevant Authority has the exclusive right to refer any Dispute to be finally resolved by arbitration under the London Court of International Arbitration Rules currently at the time of the Dispute. There will be only one arbitrator. The seat or legal place of the arbitration will be London and the proceedings will be in English.

34.5 The Relevant Authority has the right to refer a Dispute to arbitration even if

the Supplier has started or has attempted to start court proceedings under Clause 34.3, unless the Relevant Authority has agreed to the court proceedings or participated in them. Even if court proceedings have started, the Parties must do everything necessary to ensure that the court proceedings are stayed in favour of any arbitration proceedings if they are started under Clause 34.4.

34.6 The Supplier cannot suspend the performance of a Contract during any Dispute.

35. Which law applies

This Contract and any Disputes arising out of, or connected to it, are governed by English law.

Joint Schedule 5 (Corporate Social Responsibility)

What we expect from our Suppliers

- o In February 2019, HM Government published a Supplier Code of Conduct setting out the standards and behaviours expected of suppliers who work with government (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779660/20190220-Supplier_Code_of_Conduct.pdf)
- o CCS expects its Suppliers and Subcontractors to meet the standards set out in that Code. In addition, CCS expects its Suppliers and Subcontractors to comply with the Standards set out in this Schedule.
- o The Supplier acknowledges that the Buyer may have additional requirements in relation to corporate social responsibility. The Buyer expects that the Supplier and its Subcontractors will comply with such corporate social responsibility requirements as the Buyer may notify the Supplier from time to time.

• Equality and Accessibility

- o In addition to legal obligations, the Supplier shall support CCS and the Buyer in fulfilling its Public Sector Equality duty under S149 of the Equality Act 2010 by ensuring that it fulfils its obligations under each Contract in a way that seeks to:
 - eliminate discrimination, harassment or victimisation of any kind; and
 - advance equality of opportunity and good relations between those with a protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage and civil partnership) and those who do not share it.

• Modern Slavery, Child Labour and Inhumane Treatment

"Modern Slavery Helpline" means the mechanism for reporting suspicion, seeking help or advice and information on the subject of modern slavery available online at <https://www.modernslaveryhelpline.org/report> or by telephone on 08000 121 700.

- o The Supplier:
 - shall not use, nor allow its Subcontractors to use forced, bonded or involuntary prison labour;
 - shall not require any Supplier Staff or Subcontractor Staff to lodge deposits or identify papers with the Employer and shall be free to leave their employer after reasonable notice;

- warrants and represents that it has not been convicted of any slavery or human trafficking offences anywhere around the world.
- warrants that to the best of its knowledge it is not currently under investigation, inquiry or enforcement proceedings in relation to any allegation of slavery or human trafficking offenses anywhere around the world.
- shall make reasonable enquires to ensure that its officers, employees and Subcontractors have not been convicted of slavery or human trafficking offenses anywhere around the world.
- shall have and maintain throughout the term of each Contract its own policies and procedures to ensure its compliance with the Modern Slavery Act and include in its contracts with its Subcontractors anti-slavery and human trafficking provisions;
- shall implement due diligence procedures to ensure that there is no slavery or human trafficking in any part of its supply chain performing obligations under a Contract;
- shall prepare and deliver to CCS, an annual slavery and human trafficking report setting out the steps it has taken to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its business with its annual certification of compliance with Paragraph 3;
- shall not use, nor allow its employees or Subcontractors to use physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation of its employees or Subcontractors;
- shall not use or allow child or slave labour to be used by its Subcontractors;
- shall report the discovery or suspicion of any slavery or trafficking by it or its Subcontractors to CCS, the Buyer and Modern Slavery Helpline.

- **Income Security**

- o The Supplier shall:
 - ensure that that all wages and benefits paid for a standard working week meet, at a minimum, national legal standards in the country of employment;
 - ensure that all Supplier Staff are provided with written and understandable Information about their employment conditions in respect of wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid;
 - not make deductions from wages:
 - as a disciplinary measure
 - except where permitted by law; or

- without expressed permission of the worker concerned;
- record all disciplinary measures taken against Supplier Staff; and
- ensure that Supplier Staff are engaged under a recognised employment relationship established through national law and practice.

- **Working Hours**

- o The Supplier shall:

- ensure that the working hours of Supplier Staff comply with national laws, and any collective agreements;
 - that the working hours of Supplier Staff, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week unless the individual has agreed in writing;
 - ensure that use of overtime used responsibly, taking into account:
 1. the extent;
 2. frequency; and
 3. hours worked;

by individuals and by the Supplier Staff as a whole;

5.2 The total hours worked in any seven day period shall not exceed 60 hours, except where covered by Paragraph 5.3 below.

5.3 Working hours may exceed 60 hours in any seven day period only in exceptional circumstances where all of the following are met:

5.3.1 this is allowed by national law;

5.3.2 this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;

5.3.3 appropriate safeguards are taken to protect the workers' health and safety; and

5.3.4 the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

5.4 All Supplier Staff shall be provided with at least one (1) day off in every seven (7) day period or, where allowed by national law, two (2) days off in every fourteen (14) day period.

6. Sustainability

6.1 The supplier shall meet the applicable Government Buying Standards

applicable to Deliverables which can be found online at:

<https://www.gov.uk/government/collections/sustainable-procurement-the-government-buying-standards-gbs>

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