SCANNING, VALIDATION AND STORAGE SERVICES

SCHEDULE 8.1

GOVERNANCE

Version: Final 230420

GOVERNANCE

1 Introduction

This Schedule 8.1 (*Governance*) sets out the governance and contract management arrangements for this Agreement.

These arrangements include:

1.1 how the Parties intend to manage the relationship between them at an operational level and where applicable any Subcontractors;

1.2 the strategic and commercial governance structures for this Agreement and the role of the Authority, the Supplier and, where applicable, other Co-Operating Parties; and

1.3 Escalation arrangements for the prompt resolution of issues of disagreement.

The Parties intend that the governance structure will develop during the Term and is aimed at encouraging partnering between the Parties for the successful delivery and support of the Services. Additional governance structures will be arranged during the initial developmental period of the Service, following the process described in Schedule 6.1 (Implementation Plan) in addition to those described in this Schedule 8.1 (*Governance*).

2 Authority Goals

The Authority Goals are:

2.1 delivering the Service without disruption to the Authority's end users;

2.2 maintaining or enhancing the security of Deliverables;

2.3 maintaining or improving the value for money the Authority receives under this Agreement;

2.4 providing flexibility for change during the term of the Agreement; and

2.5 implementing a partnership approach between the Authority and the Supplier that recognises the strategic importance of performance of the Agreement.

2.6 The Supplier shall support the Authority in the delivery of the Authority Goals.

3 Business Principles

The Parties shall work together to achieve the following Business Principles:

3.1 information sharing and transparency - so that all Co-Operating Parties are clear what each wants from the others and exactly where each party stands, financially and operationally;

3.2 predictability – to enable the building of mutual trust by consistently meeting obligations;

3.3 responsiveness to change – being proactive in finding new technical and business features;

3.4 prioritising value over cost – focussing on the value of outputs rather than the cost of inputs;

3.5 co-operation and competition – expecting the Parties to cooperate in order to bring about success, whilst enabling ongoing competition to ensure value for money for the taxpayer; and

3.6 following Good Industry Practice – setting the minimum level of performance that the Authority expects from the Supplier as Good Industry Practice.

Effective Risk Management.

3.7 The Supplier shall adopt the Authority's approved processes, and documentation for managing and reporting contractual risks, including but not limited to:

(a) Proactively managing the identification and management of risks.

(b) Reporting risks to the Authority, including an assessment of likelihood and impact of the risk and the likely effect should the risk materialise.

(c) Taking ownership of assigned risks to ensure that mitigations are put in place, and where required contingency plans are created and agreed with the Authority.

(d) Report to the Authority, at the agreed timescales upon any changes in the severity of the risks assigned, and immediately should there be material change in the risk.

(e) Participation in regular formal reviews of the Risk Register, which shall be a shared document maintained by the Authority.

(f) Participation in risk workshops as required.

The Supplier will ensure that the Business Principles will also be reflected in the contractual and co-operative working arrangements with all Key Subcontractors.

4 Governance Arrangements

4.1 The governance arrangements set out below define the governance forums and the relationships between them. The establishment and structure of the Boards shall be as set out below and in Annex 1.

4.2 The governance arrangements will set the direction for the execution of activities to monitor progress, address issues, and take decisions at key points. The Supplier acknowledges that as the Services develop, some or all aspects of the governance arrangements may need to be reviewed and updated from time to time during the Term. The Authority reserves the right to instigate such a review and amend the governance arrangements at any point during the Term at its discretion. At the Authority's discretion the Supplier will attend meetings and Boards arranged by the Authority as required.

Principles for establishing Governance structures

4.3 The Parties acknowledge that the governance arrangements set out in this Schedule 8.1 (*Governance*) and to be developed further during the Term, have been developed according to the following principles:

(a) ensuring that the management of this Agreement contributes fully to the achievement of Authority Goals;

(b) providing leadership and direction for the partnering relationship between the Authority and the Supplier;

(c) promoting effective joint working between the Co-Operating Parties;

(d) providing effective decision making;

(e) allowing ongoing assessment of the performance of the Agreement and of the relationships between all Co-Operating Parties;

(f) representing the Authority and other key stakeholders in the delivery of the Services;

(g) ensuring transparency of decision making; and

(h) balancing the commercial requirements of the Supplier with the needs of the Authority for control, regulation and accountability for the delivery of public services.

4.4 The Parties acknowledge that the principles set out in paragraph 4.3 of this Schedule 8.1 (*Governance*) shall be taken into consideration when the governance arrangements are reviewed and updated from time to time during the Term.

4.5 The costs incurred by the Supplier in participating in the governance of the Agreement will be considered to be allowable costs and will be included in the Financial Model. All other members of the governance forums set out in this Schedule 8.1 (*Governance*) will bear their own costs of participating in such forums.

Service Management Board

4.6 The Supplier will participate in and support the Service Management Board.

4.7 The Service Management Board will be chaired by a suitably senior representative of the Authority.

4.8 The membership of the Service Management Board will include appropriate representatives from both the Authority, and Supplier Key Personnel.

4.9 The Service Management Board will meet monthly, with meetings held at either the Authority's premises or the Supplier's premises. A formal agenda will be prepared by the Authority and agreed with the Supplier in advance of the meeting. The Supplier will produce minutes of the meeting action points that will be agreed within 14 days of the meeting.

4.10 The Service Management Board will be supplemented by weekly performance telephone calls between the Authority and the Supplier, for which the Supplier shall provide minutes. Issues that cannot be resolved within this meeting shall be escalated to the Service Management Board

4.11 The role of the Service Management Board is to:

(a) ensure the provisions of the Services in line with the Authority Requirements;

(b) ensure that the provisions of the Agreement are being complied with;

(c) ensure that the Services are aligned with the Authority Goals;

(d) ensure that the Parties are aligned in their efforts to achieve Service benefits;

(e) act as a point of escalation for any issues that cannot be resolved at project or service level review meetings;

(f) direct effective internal and external communication to stakeholders to ensure the achievement of Service benefits; and

(g) receive report of any Checkpoint Review and approve subsequent plans.

(h) jointly review the performance of the Services including but not limited to managing risk including Risk Register, incidents, complaints and Change Control.

4.12 The Service Management Board shall escalate issues to the Executive Oversight Board where issues cannot be resolved within that Service Management Board. Particular issues or categories of issues, which may be identified at the outset when the Service Management Board is being constituted or from time to time, may be designated by the Service Management Board as automatic triggers for escalation.

Executive Oversight Board

4.13 The Supplier will participate in and support the Executive Oversight Board.

4.14 The Executive Oversight Board will be chaired by a suitable representative of the Authority.

4.15 The membership of the Executive Oversight Board will include appropriate representatives from both the Authority, and Supplier Key Personnel.

4.16 The Executive Oversight Board shall meet quarterly.

4.17 The role of the Executive Oversight Board is to:

(a) provide senior level guidance, leadership and strategy for the overall delivery of the Services;

(b) be the point of escalation from the Service Management Board;

(c) ensure that this Agreement is operated throughout the Term in a manner which optimises the value for money and operational benefit derived by the Authority and the commercial benefit derived by the Supplier;

(d) receive and review reports from the Service Management Board and review reports on technology, service and other developments that offer potential for improving the benefit that either Party is receiving, in particular value for money;

(e) determine business strategy and provide guidance on policy matters which may impact on the implementation of the Services; and

(f) authorise the commissioning and initiation of, and assess opportunities for, new Services.

(g) Risk management;

5 Annual Supplier Forum

The Supplier will be invited to the Authority's Annual Supplier Forum

6 Checkpoint Review Process

At each Review Date being:

6.1 six months from the Effective Date;

6.2 at the midpoint of the Initial Period**;** and

6.3 at the Authority's discretion thereafter,

the Authority shall review the performance of the Supplier in respect of this Agreement in accordance with this paragraph 6 (a "**Checkpoint Review**").

The Authority may in carrying out each Checkpoint Review consider:

6.4 the Supplier's performance in respect of the Services (including any relevant Service Level trends analysis and whether the Service Levels reflect improvements in methods of Service delivery, availability of improved technology over the Term and any efficiency gains made by the Supplier);

6.5 the Supplier's contribution to innovation within the Services;

6.6 a review of future Requirements in relation to the Services;

6.7 the results of any Benchmark Reviews carried out or any other efficiency reviews or value for money reviews carried out pursuant to this Agreement;

6.8 progress against Milestones, the Implementation Plan and Testing and Assurance;

6.9 the Supplier's demonstration of partnering behaviours and ways of working;

6.10 feedback from the Supplier on the Authority's performance;

6.11 feedback from the Supplier on inter-working with Co-Operating Parties; and

6.12 any changes that either Party believes are needed.

6.13 The Supplier shall provide any assistance reasonably required by the Authority to perform such Checkpoint Review, including but not limited to access to Supplier Personnel, service histories, charging histories, Programme status reports and provision of summarised annual versions of the reports required under the Agreement, trends analyses in respect of Service Levels and Service Credits and comparison with performance against performance reviewed at previous Checkpoint Reviews (if applicable).

6.14 The Authority may (at its absolute discretion) produce a report (a Checkpoint Review Report) of the results of each Checkpoint Review stating any areas for improvement and/ or of exceptional performance in the Supplier's performance and where there is any shortfall reviewed as against the Supplier's obligations under this Agreement.

6.15 The Authority shall provide the Supplier with a copy of the Checkpoint Review Report (if applicable) for any comments the Supplier may have. The Authority shall consider such comments and shall produce a revised Checkpoint Review Report incorporating such of the Supplier's comments as the Authority (acting reasonably) considers appropriate.

6.16 The Supplier shall, within 15 Working Days of receipt of the Checkpoint Review Report (revised as appropriate) provide the Authority with a draft plan to address resolution of any shortcomings and implementation of improvements identified by the Checkpoint Review Report.

6.17 The Authority shall review such draft plan and inform the Supplier of any revisions it considers are necessary (acting reasonably). The Supplier shall apply such revisions to the draft plan and issue the amended plan ("Checkpoint Review Plan") for review by the Authority.

6.18 The Checkpoint Review Plan (if applicable) shall be presented for approval to the Authority. If the Authority does not approve the Checkpoint Review Plan, then the Authority and the Supplier shall agree the process to approve the revised Checkpoint Review Plan.

6.19 The Supplier shall implement the approved Checkpoint Review Plan. Actions required to resolve shortcomings and implement improvements as a consequence of the Supplier's failure to meet its obligations under this Agreement identified by the Checkpoint Review Report shall be implemented at no extra charge to the Authority.

6.20 The Checkpoint Review for the midpoint of the Initial Period will include a review of Supplier's variable and fixed costs in the context of the SVS contract volumes at that time to ensure the Service is delivering 'value for money' for example but not limited to, fixed costs affected by old passports no longer being processed.

7 Escalation Arrangements

7.1 Subject to Clause 44 at all times, the Parties shall negotiate in good faith and settle any Dispute at the level at which such issue originates, in accordance with a spirit of partnering between the Parties. The Parties acknowledge that, for these purposes, the concept of partnering is one of the key concepts and ideas behind the Authority contracting with the Supplier.

7.2 Subject to paragraph 7.1, the Parties shall attempt to resolve in good faith any Dispute.

7.3 Except where this Agreement expressly provides to the contrary, each Dispute shall be dealt with in accordance with the provisions of Schedule 8.3 (*Dispute Resolution Procedure*).

7.4 A table of key contacts and escalation arrangements will be developed, agreed, maintained and updated by the Parties as required.

7.5 In the event of any queries, issues, complaints relating to the performance of the Contract the following escalation process set out in the table below shall be adhered to prior to the utilisation of Schedule 8.3 (*Dispute Resolution Procedure)*.

Level	Authority	Supplier
Level 1	Commercial Lead	HMPO Account Director
Level 2	Senior Business Contract Owner	Central Government Sector BU Head
Level 3	Senior Home Office or Crown Representative	Government Sector BU Head

ANNEX 1: Service Management Board Representation and Structure

1 Boards

Establishment and structure of the Boards

1.1 The Boards shall be established by the Authority for the purposes of this Agreement on which both the Supplier and the Authority shall be represented.

1.2 In relation to each Board (unless otherwise agreed between the Parties); the:

(a) Authority Board Members;

(b) Supplier Board Members;

(c) frequency that the Board shall meet (unless otherwise agreed between the Parties);

(d) location of the Board's meetings; and

(e) planned start date by which the Board shall be established,

shall be as set out in this Annex 1.

1.3 In the event that either Party wishes to replace any of its appointed Board Members, that Party shall notify the other in writing of the proposed change for agreement by the other Party (such agreement not to be unreasonably withheld or delayed). Notwithstanding the foregoing it is intended that each Authority Board Member has at all times a counterpart Supplier Board Member of equivalent seniority and expertise.

Board meetings

1.4 Each Party shall ensure that its Board Members shall make all reasonable efforts to attend Board meetings at which that Board Member's attendance is required. If any Board Member is not able to attend a Board meeting, that person shall use all reasonable endeavours to ensure that:

(a) a delegate attends the relevant Board meeting in his/her place who (wherever possible) is properly briefed and prepared; and

(b) that he/she is debriefed by such delegate after the Board Meeting.

1.5 A chairperson shall be appointed by the Authority for each Board as identified in this Annex 1. The chairperson shall be responsible for (unless otherwise agreed between the Parties):

(a) scheduling Board meetings;

(b) setting the agenda for Board meetings and circulating to all attendees in advance of such meeting;

(c) chairing the Board meetings;

(d) monitoring the progress of any follow up tasks and activities agreed to be carried out following Board meetings;

(e) ensuring that minutes for Board meetings are recorded and disseminated electronically to the appropriate persons and to all Board meeting participants.

(f) facilitating the process or procedure by which any decision agreed at any Board meeting is given effect in the appropriate manner.

1.6 Board meetings shall be quorate as long as at least two representatives from each Party are present.

1.7 The Parties shall ensure, as far as reasonably practicable, that all Boards shall as soon as reasonably practicable resolve the issues and achieve the objectives placed before them. Each Party shall endeavour to ensure that Board Members are empowered to make relevant decisions or have access to empowered individuals for decisions to be made to achieve this.

Service Management Board Representation and Structure

Authority Members of Service Management Board	Chairperson Senior Commercial Manager Contract Finance manager Senior Supplier Manager
Supplier Members of Service Management Board	Account Director Delivery Director Programme Director (optional) Commercial Manager DHU Service / Operational Managers (as required)
Start Date for Service Management Board meetings	Operational Service Commencement Date

Frequency of Service Management Board meetings	Monthly
Location of Service Management Board meetings	DHU locations or as agreed by the Board

Executive Oversight Board Representation and Structure

Authority members of Executive Oversight Board	Chairperson Commercial Business Partner HMPO & UKVI Commercial Specialist Business Partner Team HMPO & UKVI Head of Passport Service Management Deputy Director of Strategic Projects & Digital Services
Supplier members of Executive Oversight Board	Central Government Sector BU Head Account Director Delivery Director Commercial Manager Account Support
Start date for Executive Oversight Board	Operational Service Commencement Date
Frequency of Executive Oversight Board	Quarterly
Location of Executive Oversight Board meetings	DHU locations or as agreed by the Board