

S1 - PRECEDENT CONTRACT FOR THE PURCHASE OF SERVICES

SECTION A

This Contract Friday, 26th May 2023

Parties

- (1) **Low Pay Commission (LPC)**, Ground Floor, 10 South Colonnade, Canary Wharf, London E14 4PU (**The Contracting Authority**).
- (2) **Institute for Fiscal Studies**, a company incorporated and registered in the UK with company number 00954616 whose registered office is at 7 Ridgmount Street, London, WC1E 7AE (**the Supplier**).

Background

The Contracting Authority wishes the Supplier to supply, and the Supplier wishes to supply, the Services (as defined below) in accordance with the terms of the Contract (as defined below).

A1 Interpretation

A1-1 **Definitions.** In the Contract (as defined below), the following definitions apply:

Agent: Where UK Shared Business Services is not the named Contracting Authority is Parties (1), UK SBS has been nominated as agent on behalf of the Contracting Authority and therefore all communications both written and verbal will be received as issued by the Contracting Authority.

Associated Bodies and Authorised Entities: Associated Bodies and Authorised Entities include but are not limited to The Science and Technology Facilities Council, The Medical Research Council, The Engineering and Physical Sciences Research Council, The Economic and Social Research Council, The Natural Environment Research Council, The Arts and Humanities Research Council, The Biotechnology and Biological Sciences Research Council, UK SBS Ltd, Central Government Departments and their Agencies, Further details of these organisations can be found at:

<http://www.uksbs.co.uk/services/procure/contracts/Pages/default.aspx>

Business Day: a day (other than a Saturday, Sunday or public holiday) when banks in London are open for business.

Charges: the charges payable by the Contracting Authority for the supply of the Services in accordance with clause B4.

Commencement: the date and any specified time that the Contract starts

Conditions: the terms and conditions set out in this document as amended from time to time in accordance with clause C7-11.

Confidential Information: any confidential information, knowhow and data (in any form or medium) which relates to UK SBS, the Contracting Authority or the Supplier, including information relating to the businesses of UK SBS, the Contracting Authority or the Supplier and information relating to their staff, finances, policies and procedures. This includes information identified as confidential in the Order or the Special Conditions (if any).

Contract: the contract between the Contracting Authority and the Supplier for the supply of the Services, in accordance with these Conditions, any Special Conditions and the Order only.

Contracting Authority: The Low Pay Commission, as specified at Section A (1) and any replacement or successor organisation.

Delivery Date (Services): the date or dates specified in the Order when the Services shall commence as set out in the Order and until the end date specified in the Order.

Deliverables: all Documents, products and materials developed by the Supplier or its agents, contractors and employees as part of or in relation to the Services in any form, including computer programs, data, reports and specifications (including drafts).

Document: includes, in addition to any document in writing, any drawing, map, plan, diagram, design, picture or other image, tape, disk or other device or record embodying information in any form.

EIR: The Environmental Information Regulations 2004 together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such regulations.

FOIA: The Freedom of Information Act 2000 and any subordinate legislation made under the 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.

GDPR: The General Data Protection Regulations as amended from time to time.

Information: has the meaning given under section 84 of FOIA.

Intellectual Property Rights: all patents, rights to inventions, utility models, copyright and related rights, trademarks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database right, topography rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world.

Order: the Contracting Authority's order for the Services, as set out in the Contracting Authority's completed purchase order form (including any Specification) which is in the format of the pro forma order form attached at **Error! Reference source not found.** For the avoidance of doubt, if the Contracting Authority's purchase order form is not in the format of the pro forma order form at **Error! Reference source not found.**, it will not constitute an Order.

Public Body: any part of the government of the United Kingdom including but not limited to the Northern Ireland Assembly and Executive Committee, the Scottish Executive and the National Assembly for Wales, local authorities, government ministers and government departments and government agencies.

Request for Information: a request for Information or an apparent request under FOIA or EIR.

Scheme Effective Date: the date on which the United Kingdom Research and Innovation become a legal entity.

Services: The Services, including without limitation any Deliverables, Deliverables and Supplies required to complete the Services, to be provided by the Supplier under the Contract as set out in the Order.

Special Conditions: the special conditions (if any) set out in Schedule 1.

Specification: any specification for the Services or Supplies, including any related plans and drawings that is supplied to the Supplier by the Contracting Authority, or produced by the Supplier and agreed in writing by the Contracting Authority.

Supplier or Suppliers: the parties to the contract as named in Section A (2).

Supplies: any such thing that the Supplier is required to Deliver, that does not require or include Services or Deliverables

Supplier's Associate: any individual or entity associated with the Supplier including, without limitation, the Supplier's subsidiary, affiliated or holding companies and any employees, agents or contractors of the Supplier and / or its subsidiary, affiliated or holding companies or any entity that provides Services for or on behalf of the Supplier.

TUPE: The Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended or replaced from time to time.

UK SBS: UK Shared Business Services Limited (a limited company registered in England and Wales with company number 06330639). Where UK SBS is not named as the Contracting Authority within section A (1), UK SBS will be acting as an agent on behalf of the Contracting Authority.

Working Day: any Business Day excluding 27, 28, 29, 30 and 31 December in any year.

A1-2 Construction. In the Contract, unless the context requires otherwise, the following rules apply:

A1-2-1 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

A1-2-2 A reference to a party includes its personal representatives, successors or permitted assigns.

A1-2-3 A reference to a statute or statutory provision is a reference to such statute or provision as amended or re-enacted. A reference to a statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, as amended or re-enacted.

A1-2-4 Any phrase introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

A1-2-5 The headings in these Conditions are for ease of reference only and do not affect the interpretation or construction of the Contract.

A1-2-6 A reference to **writing** or **written** includes faxes and e-mails.

A2 Basis of contract

A2-1 Where UK SBS is not the Contracting Authority, UK SBS is the agent of the Contracting Authority for the purpose of procurement and is authorised to negotiate and enter into contracts for the supply of Services on behalf of the Contracting Authority. UK SBS will not itself be a party to, nor have any liability under, the Contract unless it is expressly specified as Contracting Authority in the Order.

- A2-2 The terms of this Contract, any Special Conditions and the Order apply to the Contract to the exclusion of all other terms and conditions, including any other terms that the Supplier seeks to impose or incorporate (whether in any quotation, confirmation of order, in correspondence or in any other context), or which are implied by trade, custom, practice or course of dealing.
- A2-3 If there is any conflict or inconsistency between the terms of this Contract, the Special Conditions (if any) and the Order (including any Specification), the terms of the Contract will prevail over the Special Conditions and the Special Conditions will prevail over the Order (including any Specification), in each case to the extent necessary to resolve that conflict or inconsistency.
- A2-4 The Order constitutes an offer by the Contracting Authority to purchase the Services in accordance with this Contract (and any Special Conditions). This offer shall remain valid for acceptance by the Supplier, in accordance with clause A2-5, for 28 days from the date of the Order. Notwithstanding that after 28 days the offer will have expired, the Contracting Authority may, at its discretion, nevertheless treat the offer as still valid and may elect to accept acceptance by the Supplier, in accordance with clause A2-5, as valid acceptance of the offer.
- A2-5 Subject to clause A2-4, the Order shall be deemed to be accepted on the date on which authorised representatives of both parties have signed a copy of this Contract, at which point the Contract shall come into existence. The Contract shall remain in force until all the parties' obligations have been performed in accordance with the Contract, at which point it shall expire, or until the Contract has been terminated in accordance with clause A3.

A3 Termination

- A3-1 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may terminate the Contract in whole or in part at any time before the Services are provided with immediate effect by giving the Supplier written notice, whereupon the Supplier shall discontinue all work on the Contract. The Contracting Authority shall pay the Supplier fair and reasonable compensation for work-in-progress at the time of termination, but such compensation shall not include loss of anticipated profits or any consequential loss. The Supplier shall have a duty to mitigate its costs and shall on request provide proof of expenditure for any compensation claimed.
- A3-2 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may terminate the Contract with immediate effect by giving written notice to the Supplier if:
- A3-2-1 the circumstances set out in clauses B2-1-1, C3 or C4-1 apply;
 - A3-2-2 the Supplier breaches any term of the Contract and (if such breach is remediable) fails to remedy that breach within 30 days of being notified in writing of the breach; or
 - A3-2-3 the Supplier 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 (being a company) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986, or (being an individual) is deemed either unable to pay its debts or as having no reasonable prospect of so doing, in either case, within the meaning of section 268 of the Insolvency Act 1986, or (being a partnership) has any partner to whom any of the foregoing apply; or

- A3-2-4 the Supplier commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors; or
- A3-2-5 (being a company) a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the Supplier; or
- A3-2-6 (being an individual) the Supplier is the subject of a bankruptcy petition or order; or
- A3-2-7 a creditor or encumbrancer of the Supplier attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of its assets and such attachment or process is not discharged within 14 days; or
- A3-2-8 (being a company) 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 given or if an administrator is appointed over the Supplier; or
- A3-2-9 (being a company) a floating charge holder over the Supplier's assets has become entitled to appoint or has appointed an administrative receiver; or
- A3-2-10 a person becomes entitled to appoint a receiver over the Supplier's assets or a receiver is appointed over the Supplier's assets; or
- A3-2-11 any event occurs, or proceeding is taken, with respect to the Supplier in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in clause A3-2-3 to clause A3-2-10 inclusive; or
- A3-2-12 there is a change of control of the Supplier (within the meaning of section 1124 of the Corporation Tax Act 2010); or
- A3-2-13 the Supplier suspends, or threatens to suspend, or ceases or threatens to cease to carry on, all or substantially the whole of its business; or
- A3-2-14 the Supplier's financial position deteriorates to such an extent that in the Contracting Authority's opinion the Supplier's capability to adequately fulfil its obligations under the Contract has been placed in jeopardy; or
- A3-3 Termination of the Contract, however arising, shall not affect any of the parties' rights and remedies that have accrued as at termination. Clauses which expressly or by implication survive termination or expiry of the Contract shall continue in full force and effect.
- A3-4 Without prejudice to clause A3-3, clauses B1, B2, B5, B6, B7, B8, B9, C1, C2, C3, C4, C6 and C7 shall survive the termination or expiry of the Contract and shall continue in full force and effect.
- A3-5 Upon termination or expiry of the Contract, the Supplier shall immediately:
- A3-5-1 cease all work on the Contract;
- A3-5-2 Deliver to the Contracting Authority all Deliverables and all work-in-progress whether or not then complete. If the Supplier fails to do so, then the Contracting Authority may enter the Supplier's premises and take possession of them. Until they have been returned or delivered, the Supplier shall be solely responsible for their safe keeping and will not use them for any purpose not connected with this Contract;

A3-5-3 cease use of and return (or, at the Contracting Authority's or UK SBS's acting as an agent on behalf of the Contracting Authority's election, destroy) all of the Contracting Authority's Materials in the Supplier's possession or control; and

A3-5-4 Cease all use of, and delete all copies of, UK SBS's or the Contracting Authority's or UK SBS's confidential information.

SECTION B

B1 Supply of Services

B1-1 The Supplier shall from the date set out in the Contract and until the end date specified in the Contract provide the Services to the Contracting Authority in accordance with the terms of the Contract.

B1-2 The Supplier shall meet any performance dates for the Services (including the delivery of Deliverables) specified in the Order (including any Special Conditions and any applicable Specification) or notified to the Supplier by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority.

B1-3 In providing the Services, the Supplier shall:

B1-3-1 co-operate with the Contracting Authority in all matters relating to the Services, and comply with all instructions of the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority;

B1-3-2 perform the Services with the best care, skill and diligence in accordance with best practice in the Supplier's industry, profession or trade

B1-3-3 use personnel who are suitably skilled and experienced to perform tasks assigned to them, and in sufficient number to ensure that the Supplier's obligations are fulfilled in accordance with this Contract;

B1-3-4 ensure that the Services and Deliverables will conform with all descriptions and specifications set out in the Contract (including any Special Conditions and any applicable Specification), and that the Deliverables shall be fit for any purpose expressly or impliedly made known to the Supplier by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority;

B1-3-5 provide all equipment, tools and vehicles and such other items as are required to provide the Services;

B1-3-6 use the best quality Supplies, materials, standards and techniques, and ensure that the Deliverables, and all Supplies and materials supplied and used in the Services or transferred to the Contracting Authority, will be free from defects in workmanship, installation and design;

B1-3-7 obtain and at all times maintain all necessary licences and consents, and comply with all applicable laws and regulations;

B1-3-8 observe all health and safety rules and regulations and any other security requirements that apply at any of the Contracting Authority's premises; and

B1-3-9 Not do or omit to do anything which may cause the Contracting Authority to lose any licence, authority, consent or permission on which it relies for the purposes of conducting its business, and the Supplier acknowledges that the Contracting Authority may rely or act on the Services.

- B1-4 The Contracting Authority's rights under the Contract are without prejudice to and in addition to the statutory terms implied in favour of the Contracting Authority under the Supply of Goods and Services Act 1982 and any other applicable legislation.
- B1-5 Without prejudice to the Contracting Authority's statutory rights, the Contracting Authority will not be deemed to have accepted any Deliverables until the Contracting Authority has had at least 14 Working Days after delivery to inspect them and the Contracting Authority also has the right to reject any Deliverables as though they had not been accepted for 14 Working Days after any latent defect in the Deliverables has become apparent.
- B1-6 If, in connection with the supply of the Services, the Contracting Authority permits any employees or representatives of the Supplier to have access to any of the Contracting Authority's premises, the Supplier will ensure that, whilst on the Contracting Authority's premises, the Supplier's employees and representatives comply with:
- B1-6-1 all applicable health and safety, security, environmental and other legislation which may be in force from time to time; and
- B1-6-2 any Contracting Authority policy, regulation, code of practice or instruction relating to health and safety, security, the environment or access to and use of any Contracting Authority` laboratory, facility or equipment which is brought to their attention or given to them whilst they are on Contracting Authority's premises by any employee or representative of the Contracting Authority's.
- B1-7 The Supplier warrants that the provision of Services shall not give rise to a transfer of any employees of the Supplier or any third party to the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority pursuant to TUPE.

B2 Contracting Authority Remedies

- B2-1 If the Supplier fails to perform the Services by the applicable dates, the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority shall, without limiting its other rights or remedies, have one or more of the following rights:
- B2-1-1 to terminate the Contract with immediate effect by giving written notice to the Supplier;
- B2-1-2 to refuse to accept any subsequent performance of the Services (including delivery of Deliverables) which the Supplier attempts to make;
- B2-1-3 to recover from the Supplier any costs incurred by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority in obtaining substitute Services from a third party;
- B2-1-4 where the Contracting Authority has paid in advance for Services that have not been provided by the Supplier, to have such sums refunded by the Supplier; or
- B2-1-5 To claim damages for any additional costs, loss or expenses incurred by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority which are in any way attributable to the Supplier's failure to meet such dates.
- B2-2 These Conditions shall extend to any substituted or remedial Services provided by the Supplier.

- B2-3 The Contracting Authority's rights under this Contract are in addition to its rights and remedies implied by statute and common law.

B3 Contracting Authority Obligations

- B3-1 The Contracting Authority shall:

B3-1-1 provide the Supplier with reasonable access at reasonable times to the Contracting Authority's premises for the purpose of providing the Services; and

B3-1-2 Provide such information to the Supplier as the Supplier may reasonably request and the Contracting Authority considers reasonably necessary for the purpose of providing the Services.

B4 Charges and Payment

- B4-1 The Charges for the Services shall be set out in the Order and shall be the full and exclusive remuneration of the Supplier in respect of the performance of the Services. Unless otherwise agreed in writing by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority, the Charges shall include every cost and expense of the Supplier directly or indirectly incurred in connection with the performance of the Services.

- B4-2 Where the Order states that the Services are to be provided on a time and materials basis, the Charges for those Services will be calculated as follows:

B4-2-1 the charges payable for the Services will be calculated in accordance with the Supplier's standard daily fee rates (as at the date of the Order), subject to any discount specified in the Order;

B4-2-2 the Supplier's standard daily fee rates for each individual person will be calculated on the basis of an eight-hour day worked between such hours and on such days as are agreed by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority and the Supplier;

B4-2-3 the Supplier will not be entitled to charge pro-rata for part days without the prior written consent of the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority;

B4-2-4 the Supplier will ensure that every individual whom it engages to perform the Services completes time sheets recording time spent on the Services and the Supplier will use such time sheets to calculate the charges covered by each invoice and will provide copies of such time sheets to the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority upon request; and

B4-2-5 the Supplier will invoice the Contracting Authority monthly in arrears for its charges for time, as well as any previously agreed expenses and materials for the month concerned calculated as provided in this clause B4-2 and clause B4-3.

- B4-3 The Contracting Authority will reimburse the Supplier at cost for all reasonable travel, subsistence and other expenses incurred by individuals engaged by the Supplier in providing the Services to the Contracting Authority provided that the Contracting Authority's prior written approval is obtained before incurring any such expenses, that all invoices for such expenses are accompanied by valid receipts and provided that the Supplier complies at all times with Contracting Authority's expenses policy from time to time in force.

- B4-4 The Supplier shall invoice the Contracting Authority on completion of the Services. Each invoice shall include such supporting information required by the Contracting Authority to verify the accuracy of the invoice, including but not limited to the relevant purchase order number.
- B4-5 In consideration of the supply of the Services by the Supplier, the Contracting Authority shall pay the invoiced amounts within 30 days of the date of a correctly rendered invoice. Payment shall be made to the bank account nominated in writing by the Supplier unless the Contracting Authority agrees in writing to another payment method.
- B4-6 All amounts payable by the Contracting Authority under the Contract are exclusive of amounts in respect of value added tax chargeable for the time being (**VAT**). Where any taxable supply for VAT purposes is made under the Contract by the Supplier to the Contracting Authority, the Contracting Authority shall, on receipt of a valid VAT invoice from the Supplier, pay to the Supplier such additional amounts in respect of VAT as are chargeable on the supply of the Services at the same time as payment is due for the supply of the Services.
- B4-7 The Supplier shall maintain complete and accurate records of the time spent and materials used by the Supplier in providing the Services and shall allow the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority to inspect such records at all reasonable times on request.
- B4-8 The Supplier shall not be entitled to assert any credit, set-off or counterclaim against the Contracting Authority in order to justify withholding payment of any such amount in whole or in part. The Contracting Authority may, without limiting any other rights or remedies it may have, set off any amount owed to it by the Supplier against any amounts payable by it to the Supplier under the Contract.
- B4-9 The Supplier acknowledges and agrees that it will pay correctly rendered invoices from any of its suppliers or other sub-contractors within 30 days of receipt of the invoice.
- B4-10 The Supplier shall be obliged during its performance of the Contract to provide evidence to the Contracting Authority that payments being made to its subcontractors or supply chain, by either of the following methods:
- B4-10-1 information can easily be obtained directly and free of charge by the Contracting Authority from a national database, with details provided by the Supplier on how the Contracting Authority may access this information at any time during the performance of the Contract when requested to do so by the Contracting Authority; or
- B4-10-2 the information shall be provided to the Contracting Authority by email free of charge on frequency advised below, such as the supplier has a sufficiency of invoice volumes to do so and that the volumes of invoices handled by the Supplier accurately represents the assurance sought.
- B4-11 The Supplier shall not be obliged to provide such above assurances to the Contracting Authority during the Contract by either of the above referred methods, in the following circumstances only:
- B4-11-1 if the Supplier in its performance of the Contract does not at any time need to engage a subcontractor; or
- B4-11-2 if the volumes of invoices processed by the Supplier in its performance of the Contract falls below the above required standard, due to the volumes of invoices processed by the Supplier, being particularly high or particularly low as measurement by percentage may distort the true picture. In such circumstances the Supplier shall suitably inform the Contracting Authority of

either of these situations supported by a suitable declaration and supporting evidence in

For the avoidance of doubt, the Contracting Authority reserves the right at any time in considering the Suppliers submission or information secured via access to any national data base, to seek further explanation or declaration from the Supplier to ensure that payments meet the required obligations placed upon the Contracting Authority.

B4-12 The Supplier shall without reservation assist the Contracting Authority to the reasonable extent as is requested, to assist the Contracting Authority to secure these assurances during the Contract.

B4-13 In situations that the Contracting Authority is making payments to the Supplier without an Invoice, the absence of an invoice (e.g. timesheet submissions for services) does not waive any obligation regarding payments made to the Suppliers subcontractors or supply chain.

B5 Contracting Authority Property

B5-1 The Supplier acknowledges that all information (including confidential information), equipment and tools, drawings, specifications, data, software and any other materials supplied by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority to the Supplier (**Contracting Authority's Materials**) and all rights in the Contracting Authority's Materials are and shall remain at all times the exclusive property of the Contracting Authority and UK SBS (as appropriate). The Supplier shall keep the Contracting Authority's Materials in safe custody at its own risk, maintain them in good condition until returned to the Contracting Authority or UK SBS, and not dispose or use the same other than for the sole purpose of performing the Supplier's obligations under the Contract and in accordance with written instructions or authorisation from the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority.

B6 Intellectual Property Rights

B6-1 In respect of any Supplies that are transferred to the Contracting Authority under this Contract, including without limitation the Deliverables or any part of them, the Supplier warrants that it has full clear and unencumbered title to all such items, and that at the date of delivery of such items to the Contracting Authority, it will have full and unrestricted rights to transfer all such items to the Contracting Authority.

B6-2 Save as otherwise provided in the Special Conditions, the Supplier assigns to the Contracting Authority, with full title guarantee and free from all third party rights, all Intellectual Property Rights in the products of the Services, including for the avoidance of doubt the Deliverables. Where those products or Deliverables incorporate any Intellectual Property Rights owned by or licensed to the Supplier which are not assigned under this clause, the Supplier grants to the Contracting Authority a worldwide, irrevocable, royalty-free, transferable licence, with the right to grant sub-licences, under those Intellectual Property Rights to maintain, repair, adapt, copy and use those products and Deliverables for any purpose.

B6-3 The Supplier shall obtain waivers of all moral rights in the products, including for the avoidance of doubt the Deliverables, of the Services to which any individual is now or may be at any future time entitled under Chapter IV of Part I of the Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction.

B6-4 The Supplier shall, promptly at the request of the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority, do (or procure to be done) all such further acts and things and the execution of all such other documents as the Contracting Authority or UK SBS acting as an agent on behalf of

the Contracting Authority may from time to time require for the purpose of securing for the Contracting Authority the full benefit of the Contract, including all right, title and interest in and to the Intellectual Property Rights assigned to the Contracting Authority in accordance with clause B6-2.

B7 Indemnity

B7-1 The Supplier shall indemnify, and shall keep indemnified the Contracting Authority and UK SBS acting as an agent on behalf of the Contracting Authority, in full against all costs, expenses, damages and losses (whether direct or indirect), including any interest, fines, legal and other professional fees and expenses awarded against or incurred or paid by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority as a result of or in connection with:

B7-1-1 any claim made against the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority by a third party arising out of, or in connection with, the supply of the Services, to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of the Contract by the Supplier, its employees, agents or subcontractors; and

B7-1-2 any claim brought against the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority for actual or alleged infringement of a third party's Intellectual Property Rights arising out of, or in connection with, the receipt, use or supply of the Services; and

B7-1-3 Any claim whether in tort, contract, statutory or otherwise, demands, actions, proceedings and any awards arising from a breach by the Supplier of clause B1-7 of these Conditions.

B7-2 This clause B7 shall survive termination or expiry of the Contract.

B8 Insurance

B8-1 During the term of the Contract and for a period of 3 years thereafter, the Supplier shall maintain in force, with a reputable insurance company, professional indemnity insurance, employer liability insurance, product liability and public liability insurance to cover such heads of liability as may arise under or in connection with the Contract, and shall, on request from the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority, produce both the insurance certificate giving details of cover and the receipt for the current year's premium in respect of each insurance

B8-1-1 Not Used

B8-1-2 Not Used

B8-2 On request from the Contracting Authority's or UK SBS acting as an agent on behalf of the Contracting Authority, the Supplier shall provide the Contracting Authority or UK SBS with copies of the insurance policy certificates and details of the cover provided.

B8-3 The Supplier shall ensure that any subcontractors also maintain adequate insurance having regard to the obligations under the Contract which they are contracted to fulfil.

B8-4 The Supplier shall:

B8-4-1 do nothing to invalidate any insurance policy or to prejudice the Contracting Authority's entitlement under it; and

B8-4-2 notify the Contracting Authority if any policy is (or will be) cancelled or its terms are (or will be) subject to any material change.

- B8-5 If the Supplier fails or is unable to maintain insurance in accordance with clause **Error! Reference source not found.**, the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may, so far as it is able, purchase such alternative insurance cover as it deems to be reasonably necessary and shall be entitled to recover all reasonable costs and expenses it incurs in doing so from the Supplier.

B9 Liability

- B9-1 In this clause B9, a reference to the Contracting Authority or UK SBS's liability for something is a reference to any liability whatsoever which the Contracting Authority or UK SBS might have for it, its consequences, and any direct, indirect or consequential loss, damage, costs or expenses resulting from it or its consequences, whether the liability arises under the Contract, in tort or otherwise, and even if it results from the Contracting Authority's or UK SBS's negligence or from negligence for which the Contracting Authority's or UK SBS would otherwise be liable.

- B9-2 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority is not in breach of the Contract, and neither the Contracting Authority nor UK SBS has any liability for anything, to the extent that the apparent breach or liability is attributable to the Supplier's breach of the Contract.

- B9-3 Subject to clause B9-6, neither the Contracting Authority nor UK SBS acting as agent on behalf of the Contracting Authority shall have any liability for:

B9-3-1 any indirect or consequential loss or damage;

B9-3-2 any loss of business, rent, profit or anticipated savings;

B9-3-3 any damage to goodwill or reputation;

B9-3-4 loss, theft, damage or destruction to any equipment, tools, machinery, vehicles or other equipment brought onto the Contracting Authority's premises by or on behalf of the Supplier; or

B9-3-5 Any loss, damage, costs or expenses suffered or incurred by any third party.

- B9-4 Subject to clause B9-6, the Contracting Authority and UK SBS's total liability shall be limited to the Charges.

- B9-5 Subject to clause B9-6, the Supplier's total liability in connection with the Contract shall be limited to £100,000.00

- B9-6 Nothing in the Contract restricts either the Contracting Authority, UK SBS or the Supplier's liability for:

B9-6-1 death or personal injury resulting from its negligence; or

B9-6-2 its fraud (including fraudulent misrepresentation); or

B9-6-3 Breach of any obligations as to title implied by Section 12 of the Sale of Goods Act 1979 or Section 2 of the Supply of Goods and Services Act 1982.

B9-6-4 Nothing in this contract restricts Supplier liability in regard to breaches of Intellectual Property or GDPR.

SECTION C

C1 Confidential Information

- C1-1 A party who receives Confidential Information shall keep in strict confidence (both during the term of the Contract and after its expiry or termination) all Confidential Information which is disclosed to it. That party shall only disclose such Confidential Information to those of its employees, agents or subcontractors who need to know the same for the purpose of discharging that party's obligations under the Contract, and shall ensure that such employees, agents or subcontractors shall keep all such information confidential in accordance with this clause C1. Neither party shall, without the prior written consent of the other party, disclose to any third party any Confidential Information, unless the information:
- C1-1-1 was public knowledge or already known to that party at the time of disclosure; or
 - C1-1-2 subsequently becomes public knowledge other than by breach of the Contract; or
 - C1-1-3 subsequently comes lawfully into the possession of that party from a third party; or
 - C1-1-4 Is agreed by the parties not to be confidential or to be disclosable.
- C1-2 To the extent necessary to implement the provisions of the Contract (but not further or otherwise), either party may disclose the Confidential Information to any relevant governmental or other authority or regulatory body, provided that before any such disclosure that party shall make those persons aware of its obligations of confidentiality under the Contract and shall use reasonable endeavours to obtain a binding undertaking as to confidentiality from all such persons.
- C1-3 All documents and other records (in whatever form) containing Confidential Information supplied to or acquired by a party from the other party shall be returned promptly to the other party (or, at the election of the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority, destroyed) on expiry or termination of the Contract, and no copies shall be kept.

C2 Transparency

- C2-1 The Supplier acknowledges that the United Kingdom Government's transparency agenda requires that contracts, such as the Contract, and any sourcing document, such as the invitation to sourcing, are published on a designated, publicly searchable website.
- C2-2 The Supplier acknowledges that, except for any information which is exempt from disclosure in accordance with the provisions of FOIA, the content of the Contract is not Confidential Information. The Contracting Authority and or UK SBS acting as an agent on behalf of the Contracting Authority shall be responsible for determining in their absolute discretion whether any of the content of the Contract is exempt from disclosure in accordance with the provisions of FOIA.
- C2-3 Notwithstanding any other term of the Contract, the Supplier hereby consents to the Contracting Authority and or UK SBS acting as an agent on behalf of the

Contracting Authority publishing the Contract in its entirety, (but with any information which is exempt from disclosure in accordance with the provisions of FOIA redacted) including from time to time agreed changes to the Contract, to the general public.

If any of the situations in **Error! Reference source not found.,Error! Reference source not found.,Error! Reference source not found.** apply the Supplier consents to the Contract or sourcing documents being redacted by the Contracting Authority to the extent necessary to remove or obscure the relevant material and being published on the designated website subject to those redactions.

In this entire clause the expression "sourcing documents" means the advertisement issued by UK SBS seeking expressions of interest, any pre-qualification questionnaire stage and the invitation to tender.

C3 Force Majeure

- C3-1 If any event or circumstance that is beyond the reasonable control of the Supplier, and which by its nature could not have been foreseen by the Supplier or, if it could have been foreseen, was unavoidable, (provided that the Supplier shall use all reasonable endeavours to cure any such events or circumstances and resume performance under the Contract) prevent the Supplier from carrying out its obligations under the Contract for a continuous period of more than 10 Business Days, the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may terminate this Contract immediately by giving written notice to the Supplier.

C4 Corruption

- C4-1 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority shall be entitled to terminate the Contract immediately and to recover from the Supplier the amount of any loss resulting from such termination if the Supplier or a Supplier's Associate:
- C4-1-1 offers or agrees to give any person working for or engaged by the Contracting Authority, UK SBS or any Public Body any favour, gift or other consideration, which could act as an inducement or a reward for any act or failure to act connected to the Contract, or any other agreement between the Supplier and Contracting Authority, or UK SBS or any Public Body, including its award to the Supplier or a Supplier's Associate and any of the rights and obligations contained within it;
 - C4-1-2 has entered into the Contract if it has knowledge that, in connection with it, any money has been, or will be, paid to any person working for or engaged by the Contracting Authority, or UK SBS or any Public Body by or for the Supplier, or that an agreement has been reached to that effect, unless details of any such arrangement have been disclosed in writing to the Contracting Authority, or UK SBS before the Contract is entered into;
 - C4-1-3 breaches the provisions of the Prevention of Corruption Acts 1889 to 1916, or the Bribery Act 2010; or
 - C4-1-4 Gives any fee or reward the receipt of which is an offence under Section 117(2) of the Local Government Act 1972.
- C4-2 For the purposes of clause C4-1, "loss" shall include, but shall not be limited to:
- C4-2-1 The Contracting Authority's or UK SBS's costs in finding a replacement supplier;

C4-2-2 direct, indirect and consequential losses; and

C4-2-3 Any loss suffered by the Contracting Authority or UK SBS as a result of a delay in its receipt of the Services.

C5 Data Protection

C5-1 The Supplier shall comply at all times with all data protection legislation applicable in the UK.

C5-2 General Data Protection Regulations (GDPR)

1. Data Protection

The Supplier will be compliant with the Data Protection Legislation, as defined in the terms and conditions applying to this opportunity. A guide to The General Data Protection Regulation published by the Information Commissioner's Office can be found [here](#).

The only processing that the Supplier is authorised to do is listed in Annex 1 by the Contracting Authority and may not be determined by the Supplier.

Annex 1: Processing, Personal Data and Data Subjects

(1) The contact details of the Contracting Authorities Data Protection Officer are:

Low Pay Commission,
Ground Floor,
10 South Colonnade,
Canary Wharf,
London, E14 4PU.

Email: jay.arjan@lowpay.gov.uk

(2) The contact details of the Suppliers Data Protection Officer are:

Institute for Fiscal Studies,
7 Ridgmount Street,
London,
WC1E 7AE.

Email: dataprotectionofficer@ifs.org.uk

(3) The Supplier shall comply with any further written instructions with respect to processing by the Contracting Authority.

(4) Any such further instructions shall be incorporated into this Annex 1.

Description	Details
Subject matter of the processing	Research to help inform the Low Pay Commission (LPC) about the Impact of the NLW.
Duration of the processing	Friday, 26 th May 2023 – Tuesday, 31 st December 2024
Nature and purposes of the processing	<p>The nature of the processing might include: collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction of data (whether or not by automated means) etc.</p> <p>The purpose is to investigate the nature of the impact of minimum wage increases.</p> <p>The nature of processing will include the storage and use of names and business contact details of staff of both the Contracting Authority and the Supplier as necessary to deliver the services and to undertake the Contract and performance management. The Contract itself will include the names and business contact details of staff</p>

	of both the Contracting Authority and the Supplier involved in managing the Contract.
Type of Personal Data	<p>Name, address, contact telephone number, date of birth, pay, job characteristics, business characteristics and personal characteristics.</p> <p>Names, business telephone numbers and email addresses, office location and position of staff of both the Contracting Authority and the Supplier as necessary to deliver the services and to undertake the Contract and performance management. The Contract itself will include the names and business contact details of staff of both the Contracting Authority and the Supplier involved in managing the Contract.</p>
Categories of Data Subject	Dependent on the contracting authority.
Plan for return and destruction of the data once the processing is complete UNLESS requirement under European Union or European member state law to preserve that type of data	The data will be retained for a year, contracting authority to determine how it will be returned or destroyed and what any physical evidence of destruction will be required.
Controls in place to prevent further use of the data	Determined by the contracting authority.

The nature of the service will require the Supplier to collect personal data directly from data subjects. The Supplier will use the agreed Contracting Authority privacy notice as instructed by the Contracting Authority.

1. GDPR Questionnaire

The Supplier agrees that during any term or extension it shall complete and return the attached questionnaire as advised below.

Note: The Contracting Authority also reserves the right to amend or increase these frequencies, as it deems necessary to secure assurance with regards to compliance.

The Contracting Authority requires such interim assurances to ensure that the Supplier is still compliant with the needs of the GDPR Act due to the implications of a breach.

The Supplier shall complete and return the questionnaire to the contact named in the Contract on the anniversary of the commencement of the Contract.

The Supplier agrees that any financial burden associated with the completion and submission of this questionnaire at any time, shall be at the Suppliers cost to do so and will not be reimbursable.



GDPR Assurance
Questionnaire May1

C6 Freedom of Information

- C6-1 The Supplier acknowledges that the Contracting Authority and or UK SBS may be subject to the requirements of FOIA and EIR and shall assist and co-operate with the Contracting Authority and or UK SBS to enable them to comply with its obligations under FOIA and EIR.
- C6-2 The Supplier shall and shall procure that its employees, agents, sub-contractors and any other representatives shall provide all necessary assistance as reasonably requested by the Contracting Authority or UK SBS to enable the Contracting Authority or UK SBS to respond to a Request for Information within the time for compliance set out in section 10 of FOIA or regulation 5 of EIR.
- C6-3 The Contracting Authority and or UK SBS acting as an agent on behalf of the Contracting Authority shall be responsible for determining (in its absolute discretion) whether any Information:

C6-3-1 is exempt from disclosure in accordance with the provisions of FOIA or EIR;

C6-3-2 is to be disclosed in response to a Request for Information,

And in no event shall the Supplier respond directly to a Request for Information unless expressly authorised to do so in writing by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority.

- C6-4 The Supplier acknowledges that the Contracting Authority and or UK SBS may be obliged under the FOIA or EIR to disclose Information, in some cases even where that Information is commercially sensitive:
 - C6-4-1 without consulting with the Supplier, or
 - C6-4-2 Following consultation with the Supplier and having taken its views into account.
- C6-5 Where clause C6-4-2 applies the Contracting Authority and or UK SBS shall, in accordance with any recommendations issued under any code of practice issued under section 45 of FOIA, take reasonable steps, where appropriate, to give the Supplier advanced notice, or failing that, to draw the disclosure to the Supplier's attention as soon as practicable after any such disclosure.
- C6-6 Where the Supplier organisation is subject to the requirements of the FOIA and EIR, C6-7 will supersede C6-2 – C6-5. Where the Supplier organisation is not subject to the requirements of the FOIA and EIR, C6-7 will not apply.
- C6-7 The Contracting Authority and UK SBS acknowledge that the Supplier may be subject to the requirements of the FOIA and EIR and shall assist and co-operate with the Supplier to enable them to comply with its obligations under the FOIA and EIR.

C7 General

C7-1 Entire Agreement

- C7-1-1 The Contract constitutes the entire agreement between the Contracting Authority and the Supplier in relation to the supply of the Services and the

Contract supersedes any earlier agreements, arrangements and understandings relating to that subject matter.

C7-2 Liability

C7-2-1 Where the Contracting Authority is more than one person, the liability of each such person for their respective obligations and liabilities under the Contract shall be several and shall extend only to any loss or damage arising out of each such person's own breaches.

C7-2-2 Where the Contracting Authority is more than one person and more than one of such persons is liable for the same obligation or liability, liability for the total sum recoverable will be attributed to the relevant persons in proportion to the price payable by each of them under the Contract.

C7-3 Assignment and Subcontracting

C7-3-1 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may at any time assign, transfer, charge, subcontract or deal in any other manner with any or all of its rights or obligations under the Contract.

C7-3-2 The Supplier may not assign, transfer, charge, subcontract or deal in any other manner with any or all of its rights or obligations under the Contract without prior written consent from the Contracting Authority's or UK SBS acting as an agent on behalf of the Contracting Authority.

C7-4 Further Assurance

C7-4-1 The Supplier will promptly at the request of the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority do (or procure to be done) all such further acts and things, including the execution of all such other documents, as either the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may from time to time require for the purpose of securing for the Contracting Authority the full benefit of the Contract, including ensuring that all title in the Supplies is transferred absolutely to the Contracting Authority.

C7-5 Publicity

C7-5-1 The Supplier shall not make any press announcements or publicise this Contract in any way without prior written consent from the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority.

C7-5-2 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority shall be entitled to publicise this Contract in accordance with any legal obligation upon Contracting Authority or UK SBS, including any examination of this Contract by the National Audit Office pursuant to the National Audit Act 1983 or otherwise.

C7-5-3 The Supplier shall not do anything or cause anything to be done, which may damage the reputation of the Contracting Authority or UK SBS or bring the Contracting Authority or UK SBS into disrepute.

C7-6 Notices

C7-6-1 Any notice or other communication given to a party under or in connection with the Contract shall be in writing, addressed to:

C7-6-1-a in the case of the Contracting Authority: **Low Pay Commission**;
Address: **Ground Floor, 10 South Colonnade, Canary Wharf, London E14 4PU, Email: tim.butcher@lowpay.gov.uk** (and a copy of such notice or communication shall be sent to: **Professional Services, Polaris House, North Star Avenue, Swindon, Wiltshire SN2 1FF; Email: professionalservices@uksbs.co.uk**

C7-6-1-b in the case of the Supplier: **Institute for Fiscal Studies**;
Address: **7 Ridgmount Street, London, WC1E 7AE**;
Email: **xiaowei.xu@ifs.org.uk**.

C7-6-2 A notice or other communication shall be deemed to have been received: if delivered personally, when left at the address referred to in clause C7-6-1; if sent by pre-paid first-class post or recorded delivery, at 9.00 am on the second Working Day after posting; if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed; or, if sent by fax or e-mail between the hours of 9.00am and 5.00pm on a Working Day, upon successful transmission (provided that the sender holds written confirmation automatically produced by the sender's fax machine of error free and complete transmission of that fax to the other party's fax number), or if sent by fax or e-mail outside the hours of 9.00am and 5.00pm on a Working Day, at 9.00am on the next Working Day following successful transmission (provided that the sender holds written confirmation automatically produced by the sender's fax machine of error free and complete transmission of that fax to the other party's fax number).

C7-6-3 This clause C7-6-3 shall only apply where UK SBS is not the Contracting Authority. In such cases, UK SBS may give or receive any notice under the Contract on behalf of the Contracting Authority and any notice given or received by UK SBS will be deemed to have been given or received by the Contracting Authority.

C7-6-4 The provisions of this clause C7-6 shall not apply to the service of any proceedings or other documents in any legal action.

C7-7 Severance

C7-7-1 If any court or competent authority finds that any provision of the Contract (or part of any provision) is invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed to be deleted, and the validity and enforceability of the other provisions of the Contract shall not be affected.

C7-7-2 If any invalid, unenforceable or illegal provision of the Contract would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable.

C7-8 **Waiver.** A waiver of any right or remedy under the Contract is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default. No failure or delay by a party to exercise any right or remedy provided under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

- C7-9 **No Partnership, Employment or Agency.** Nothing in the Contract creates any partnership or joint venture, nor any relationship of employment, between the Supplier and either the Contracting Authority or UK SBS. Nothing in the Contract creates any agency between the Supplier and either the Contracting Authority or UK SBS.
- C7-10 **Third Party Rights.** A person who is not a party to this Contract shall not have any rights under or in connection with it, except that UK SBS and any member of the UK SBS, Associated Bodies or Authorised Entities that derives benefit under this Contract may directly enforce or rely on any terms of this Contract.
- C7-11 **Variation.** Any variation to the Contract, including any changes to the Services, these Conditions, the Special Conditions or the Order, including the introduction of any additional terms and conditions, shall only be binding when agreed in writing by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority and the Supplier.
- C7-12 **Governing Law and Jurisdiction.**
- C7-12-1 Subject to clause C7-12-2, the Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with, English law, and the parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.
- C7-12-2 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority shall be free to enforce its intellectual property rights in any jurisdiction.
- C7-13 **Modern Slavery Act 2015**
- C7-13-1 The Supplier shall not use, or allow its Subcontractors to use, forced, bonded or involuntary prison labour;
- C7-13-2 shall not require any Contract or staff or Subcontractor staff to lodge deposits or identify papers with the Employer or deny Supplier staff freedom to leave their employer after reasonable notice;
- C7-13-3 warrants and represents that it has not been convicted of any slavery or human trafficking offences anywhere around the world.
- C7-13-4 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.
- C7-13-5 shall make reasonable enquiries to ensure that its officers, employees and Subcontractors have not been convicted of slavery or human trafficking offences anywhere around the world.
- C7-13-6 shall have and maintain throughout the term of each Contract its own policies and procedures to ensure its compliance with the Modern Slavery Act 2015 and shall include in its contracts with its Subcontractors anti-slavery and human trafficking provisions;
- C7-13-7 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;
- C7-13-8 shall not use, or 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;

C7-13-9 shall not use, or allow its Subcontractors to use, child or slave labour;

C7-13-10 shall report the discovery or suspicion of any slavery or trafficking by it or its Subcontractors to the Contracting Authority without delay during the performance of this Contract to utilise the following help and advice service, so as to ensure that it suitably discharges its statutory obligations.

The "Modern Slavery Helpline" refers to the point of contact 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.

C7-13-11 During the Term or any extension of the Contract, the Contracting Authority is committed to ensuring that its supply chain complies with the above Act.

C7-13-12 The Supplier shall provide a slavery and trafficking report covering the following but not limited to areas as relevant and proportionate to the Contract evidencing the actions taken, relevant to the Supplier and their supply chain associated with the Contract.

C7-13-12-a Impact assessments undertaken

C7-13-12-b Steps taken to address risk/actual instances of modern slavery and how actions have been prioritised

C7-13-12-c Evidence of stakeholder engagement

C7-13-12-d Evidence of ongoing awareness training

C7-13-12-e Business-level grievance mechanisms in place to address modern slavery

C7-13-12-f Actions taken to embed respect for human rights and zero tolerance of modern slavery throughout the organisation

C7-13-13 The Contracting Authority or UK SBS when acting as an agent on behalf of the Contracting Authority reserves the sole right to audit any and all slavery and trafficking reports submitted by the Supplier to an extent as deemed necessary and the Supplier shall unreservedly assist the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority in doing so.

Note: The Contracting Authority also reserves the right to amend or increase the frequency of reporting, as it deems necessary to secure assurance in order to comply with the Modern Slavery Act.

The Contracting Authority requires such interim assurances to ensure that the Supplier is compliant and is monitoring its supply chain, so as to meet the requirements of the Modern Slavery Act.

The Supplier agrees that it will provide an up to date Modern Slavery Report within 60 days of Contract award, any financial burden associated with the completion and submission of this report and associated assistance at any time, shall be at the Suppliers cost to do so and will not be reimbursable.

The Supplier agrees that any financial burden associated with the completion and submission of this report and associated assistance at any time, shall be at the suppliers cost to do so and will not be reimbursable.

C7-14 Changes in Costs Resulting from Changes to Government Legislation, Levies or Statutory Payments

The Contracting Authority will reimburse during any term or extension (or, where such costs, awards or damages arise following termination/expiry) of this Agreement, any increases in the Supplier's cost of providing the Services by reason of any modification or alteration to the Government legislation duties or levies or other statutory payments (including but not limited to National Insurance and/or VAT and/or introduction of or amendment to working time minimum wages). Subject always to open book access to the Supplier's records and always after a period of due diligence carried out by the Contracting Authority, relevant and proportionate to the value concerned.

C7-15 Taxation Obligations of the Supplier

C7-15-1 The relationship between the Contracting Authority, UK SBS and the Supplier will be that of "independent contractor" which means that the Supplier is not an employee, worker, agent or partner of the Contracting Authority or UK SBS and the Supplier will not give the impression that they are.

(1.) The Supplier in respect of consideration shall at all times comply with the income tax Earnings and Pensions Act 2003 (ITEPA) and all other statutes and regulations relating to income tax in respect of that consideration.

(2.) Where Supplier is liable to National Insurance Contributions (NICs) in respect of consideration received under this contract, it shall at all times comply with the Social Security Contributions and Benefits Act 1992 (SSCBA) and all other statutes and regulations relating to NICs in respect of that consideration.

(3.) The Contracting Authority may, at any time during the term, completion extension or post termination of this contract, request (Supplier) to provide information which demonstrates how Supplier complies with its obligations under tax and National Insurance Clauses (1) and (2) above or why those clauses do not apply to it.

C7-15-2 As this is not an employment Contract the Supplier will be fully responsible for all their own tax including any national insurance contributions arising from carrying out the Services.

C7-15-3 A request under Clause (3) above may specify the information which Supplier shall provide and the period within which that information must be provided.

C7-15-4 In the case of a request mentioned in Clause (3) above, the provision of inadequate information or a failure to provide the information within the requested period, during any term or extension, may result in the Contracting Authority terminating the contract.

C7-15-5 Any obligation by Supplier to comply with Clause (1) and (2) shall survive any extension, completion or termination and Supplier obligations to Indemnify the Contracting Authority shall survive without limitation and until such time as any of these obligations are complied with.

C7-15-6 The Contracting Authority may supply any information, including which it receives under clause (3) to the commissioners of Her Majesty's Revenue and Customs for the purpose of the collection and management of revenue for which they are responsible.

C7-15-7 If the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority has to pay any such tax under clauses (1) and (2) then the Supplier will pay back to the Contracting Authority or UK SBS in full, any money that the Contracting Authority or UK SBS has to pay, and they will also pay back the Contracting Authority or UK SBS for any fine or other punishment imposed on the Contracting Authority or UK SBS because the tax or national insurance was not paid by the Supplier.

C7-16 Cyber Essentials Questionnaire

The Supplier agrees that during any term or extension it shall complete and return the attached questionnaire as advised below, within 14 days from notice and shall send this information as directed by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority. The Contracting Authority and UK SBS acting as an agent on behalf of the Contracting Authority is required to provide such assurances to comply with Government advice and guidance.

Note: The Contracting Authority also reserves the right to amend or increase the frequency of the questionnaire submission due dates, as it deems necessary.


The Contracting Authority requires such interim assurances to ensure that the Supplier is still compliant with the security needs of this Contract.

Schedule 1 Special Conditions

Not Applicable

Schedule 2 Purchase Order

The format of the Proforma Purchase Order will be as follows. Please note that the Purchase Order form will be submitted directly to your chosen email address on completion of the receipt of the signed contract and will contain the confirmed value of goods and services as well as the Purchase Order number that must be used for invoicing purposes.

<p>(Contracting Authority Logo)</p> <p>Supplier:</p> <p>Tel:</p> <p>Fax:</p> <p>Ship to: Contracting authority ship to address</p>	<p style="text-align: right;">Purchase Order #0</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Order</td><td></td></tr> <tr><td>Order Date</td><td></td></tr> <tr><td>Revision</td><td>0</td></tr> <tr><td>Revision Date</td><td></td></tr> <tr><td>Payment Terms</td><td>As per terms and conditions</td></tr> </table> <p>PLEASE QUOTE THE PURCHASE ORDER NUMBER ON ALL CORRESPONDENCE. INVOICES NOT QUOTING THE PO NUMBER WILL BE RETURNED UNPAID</p> <p>For all purchase order queries, please contact P2PAdmin@uksbs.co.uk For all invoicing queries, please contact finance@uksbs.co.uk</p> <p>Invoice to: Contracting Authority Invoice Address</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: yellow;"> <th>Line</th> <th>Part Number/Description</th> <th>Delivery Date</th> <th>Quantity</th> <th>UOM</th> <th>Unit Price (GBP)</th> <th>Tax</th> <th>Net Amount (GBP)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td colspan="7" style="height: 100px;"></td> </tr> <tr> <td colspan="7" style="text-align: right;">Total</td> <td></td> </tr> <tr> <td colspan="7" style="text-align: right;">Grand Total</td> <td></td> </tr> </tbody> </table> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p><small>Whenever a UK SBS Contract number is cited within the narrative description of the Purchase Order that Purchase Order is subject to the Terms and Conditions relating to that Contract, otherwise, the Purchase Order is subject to the Terms and Conditions incorporated herein by this reference. For a copy of the Terms and Conditions please see http://www.uksbs.co.uk/services/procure/Documents/SSCPOterms.pdf</small></p> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 30%;"> <p><small>Commercial In Confidence</small></p>  </div> <div style="width: 65%; border: 1px solid black; padding: 5px;"> <p>VAT Registration Number GB 618 367 325</p> <p>(Contracting Authority) , Polaris House, North Star Avenue Swindon, United Kingdom SN2 1EU</p> </div> </div>	Order		Order Date		Revision	0	Revision Date		Payment Terms	As per terms and conditions	Line	Part Number/Description	Delivery Date	Quantity	UOM	Unit Price (GBP)	Tax	Net Amount (GBP)	1								Total								Grand Total							
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Schedule 3 Customer Specification

Background

The Low Pay Commission (LPC) has an ongoing remit to monitor the operation of the National Minimum Wage (NMW), including the National Living Wage (NLW) and to assess the impact of increases in the level of the minimum wage. With the National Living Wage moving towards its target of two-thirds of median hourly earnings for those aged 21 and over by 2024, it is important that the Commission has evidence on how businesses have been affected and how they are responding. This project will also provide evidence for deliberations on the future of the NLW beyond 2024.

Since 2020, the UK economy has been subject to the unprecedented upheaval in the economy and the labour market caused by measures to control the global pandemic. This has affected some sectors, in particular many low-paying sectors, more than others. It has also disrupted many of the usual data sources upon which much of our standard analysis depends. The pandemic has, however, also led to the development of new data sources, such as the Business Insights and Conditions Survey (BICS). We are therefore keen to consider tenders that can take advantage of these.

In addition to the impacts from the pandemic, the UK began a new trading relationship with the EU on 1 January 2021 that has seen significant changes in the way the UK trades and how its labour market operates. This may have different implications for firms in low-paying sectors.

Previous research has found strong evidence of an impact on hourly earnings but suggests that the NMW has had limited adverse effects on employment levels. Businesses have coped by using a number of adjustment channels, including: increasing prices to their customers; lowering investment; (attempting to) raise productivity; reducing labour costs by adjusting non-pay working conditions; and squeezing profit margins. However, in comparison to employment, hours and pay, these adjustment channels tend to have fewer sources of evidence and are difficult to measure. So we are keen to hear of new or different approaches to analysing them.

There is global interest among policy-makers in the impact of the NLW. The LPC is required to make recommendations to the Government on the rate of the NLW and on the minimum wages for young workers and apprentices each year. The findings from this research will help inform deliberations about the future of the National Living Wage beyond 2024. They will also directly inform policy decisions touching the lives of millions of workers and thousands of businesses as well as contributing to policy formation in the UK and beyond.

Aims and Objectives of the Project

The aim of this study is to gain a better understanding of the impact of minimum wages, especially the National Living Wage, on businesses.

The Low Pay Commission invites tenders for research that will provide initial evidence by September 2023 and more substantive findings by October 2024. The initial findings will inform Commissioners in their deliberations this autumn on the NLW (and the other age-related minimum wage rates) beyond 2024. It will then provide more substantive findings to inform decisions in October 2024 for the minimum wage upratings in April 2025. This research will contribute to our understanding of how firms are adjusting to the NLW.

Potential areas of investigation might include the impact of the NLW and how firms are responding/adapting in terms of:

- profits;
- productivity;
- capital investment;
- training;
- prices;
- contracts and outsourcing;
- pay structures;
- non-wage terms and conditions;
- hours and employment; and
- differentials and pay progression.

We are interested in firms' approaches in the short-term and their longer-term plans as the NLW is set to increase to two-thirds of median earnings by 2024 (which is currently £11.16 based on our latest projections).

This project will provide evidence of how firms are coping with the recent increases in the NLW, whether there are any barriers to further progression of the minimum wage beyond two-thirds of the median, and how they vary sectorally, by size of firm, by geography, and type of ownership.

We are also interested in whether there has been any change to the characteristics of jobs (e.g. evidence of changes to tasks, or the merging/flexibility of roles/tasks); and the characteristics of the workforce (e.g. changes to the age structure or greater use of apprentices).

This research would ideally use firm-level data and may need a longer time frame than our usual research commissions. It will contribute to our understanding of how firms are adjusting to the NLW.

Previous research on these issues has been commissioned by the Low Pay Commission. Academic research suggests profits are a key channel firms use to absorb minimum wage rises. Research on the introduction of the NMW in 1999 has found that it significantly reduced profits for affected firms (Draca, Machin, and van Reenen, 2011).¹ More recent research has shown that the announcement of the NLW caused stock prices to fall for low-paying firms (Bell and Machin, 2018).² Another key channel is through passing on costs to customer through higher prices. Frontier Economics (2020)³ explored the impact of the NLW on prices. It built on previous work by Wadsworth (2010),⁴ which

¹ Draca, M., S. Machin, and J. Van Reenen, 2011. "Minimum Wages and Firm Profitability." *American Economic Journal: Applied Economics*, 3 (1): 129-51.

² Bell, B. and S. Machin, 2018. Minimum Wages and Firm Value, *Journal of Labor Economics*, 36, (1), 159 - 195

³ Frontier Economics, 2020. Impact of National Living Wage on Businesses. Research Report for the Low Pay Commission. Frontier Economics. November 2020.

⁴ Wadsworth, J., 2010. Did the National Minimum Wage Affect UK Prices? *Fiscal Studies*, 31(1), 81-120.

had looked at the impact of the National Minimum Wage on prices. It concluded that the impact on aggregate inflation was small.

An alternative channel is through improvements to productivity. Econometric research prior to the introduction of the NLW showed some positive, but not always significant, association between productivity and the NMW (Forth and O'Mahoney, 2003;⁵ Forth, Rincon-Aznar, and Robinson, 2009;⁶ Crawford, Jin, and Simpson, 2013;⁷ Galindo-Rueda and Pereira, 2004;⁸ Croucher and Rizov, 2011;⁹ and Riley and Rosazza-Bondibene, 2013,¹⁰ 2015¹¹, and 2017¹²). In theory, the increase in costs could incentivise a range of different responses. These include adopting more capital-intensive ways of working, undertaking more training, shifting to a more skilled and experienced workforce, adopting tougher recruitment criteria, greater supervision to encourage more effort and outsourcing. Bernini and Riley (2016)¹³ looked at each of these mechanisms and confirmed a positive association between productivity and NMW increases but concluded that no single channel could be identified that explained the productivity effect. Instead, any effects were likely to have arisen through a combination of factors within the firm or for different reasons in different firms. More recently, Latimer (2022)¹⁴ compared the growth in productivity across 180 different industry-region cells but found no significant effect on productivity.

⁵ Forth, J. and M. O'Mahoney, 2003. The Impact of the National Minimum Wage on Labour

Productivity and Unit Labour Costs. Report to the Low Pay Commission.

⁶ Forth, J., A. Rincon-Aznar, and C. Robinson, 2009. The Impact of Recent Upratings of the National

Minimum Wage on Competitiveness, Business Performance and Sector Dynamics. Report to the

Low Pay Commission.

⁷ Crawford, C., W. Jin, and H. Simpson, 2013. Firm's productivity, investment and training: What happened during the recession and how was it affected by the national minimum wage?. Report to the Low Pay Commission.

⁸ Galindo-Rueda, F., and S. Pereira, 2004. The Impact of the National Minimum Wage on British Firms, Research Report for the Low Pay Commission.

⁹ Croucher, R., and M. Rizov, 2011. The Impact of the National Minimum Wage on Labour Productivity in Britain. E-Journal of International and Comparative Labour Studies.

¹⁰ Riley, R., and C. Rosazza Bondibene, 2013. The Impact of the National Minimum Wage on Firm Behaviour during Recession. Research Report for the Low Pay Commission. National Institute for Economic and Social Research.

¹¹ Riley, R., and C. Rosazza Bondibene, 2015. The Impact of the National Minimum Wage on UK Businesses. Research Report for the Low Pay Commission. National Institute for Economic and Social Research.

¹² Riley, R., and C. Rosazza-Bondibene, 2017. Raising the Standard: Minimum wages and firm

productivity. Labour Economics 44 (C), pp 27-50.

¹³ Bernini, M., and R. Riley, 2016. Exploring the Relationships between the NMW and Productivity. Report to the Low Pay Commission. National Institute for Economic and Social Research.

¹⁴ Latimer, E. (2022). The impact of the National Living Wage on Productivity. Low Pay Commission Research Report. Low Pay Commission. March 2022.

Other research using more qualitative methods, such as D’Arcy and Davies (2016),¹⁵ who looked at how firms were going to cope with the introduction of the National Living Wage. Around a third intended to improve productivity – the most common response. However, in a follow-up survey using its Labour Market Outlook, CIPD (2019)¹⁶ found that while just 30 per cent of businesses had planned to improve productivity, a smaller number (24 per cent) had actually done so. Employers had mainly absorbed the costs by taking lower profits. There was also some evidence of work intensification rather than investment in new technology.

The LPC invites tenders for research that will provide initial insights by 7 September 2023 (at the latest), more informed findings by the end of 2023, a draft final report in the summer of 2024 and final report by the end of September 2024. These findings will inform LPC deliberations in October 2023 for the uprating of the NLW and the other minimum wage rates in April 2024; but will also contribute to the knowledge base that will provide the evidence for Commissioners in deliberations about the future of the NLW beyond 2024. The final findings will inform discussions of the minimum wages in October 2024 for implementation in April 2025.

Suggested Methodology

The methods and data used are at the discretion of the prospective researchers, but these should be specified in detail. It is anticipated that this study could use existing data and/or new sources of information to examine the issues mentioned above.

Potential contractors should specify the techniques that they intend to employ. Tenders should also state which data are to be used, and give some indication of their strengths and limitations. It is particularly important that researchers address any limitations of the analysis with regards to data availability during the pandemic.

The research should use up-to-date, respected, methods, in line with recent studies. It is essential that the methodology and analysis stands up to external scrutiny by professional academics, economists, statisticians and analysts.

Researchers should provide information on how they plan to identify the causal effects of the National Living Wage/National Minimum Wage on firm behaviour and outcomes. They should have a plan for separating out the impact of the minimum wage from other factors which affect firm behaviour (e.g. the UK leaving the EU, and the Covid-19 pandemic). Researchers should show how their research improves upon existing research on the impact of the NLW/NMW on firm behaviour.

Contract Timescales

Presentation of data sources and methodology at an initial meeting

w/c 22 May 2023

¹⁵ D’Arcy, C., and G. Davies, 2016. Weighing up the wage floor: Employer responses to the National Living Wage. Policy report. Chartered Institute for Personnel and Development, and the Resolution Foundation. February 2016.

¹⁶ Chartered Institute for Personnel and Development, 2019. Labour Market Outlook. Views from employers. Summer 2019.

Methodology paper (including draft questionnaire and/or interview guides as appropriate)	9 June 2023
Follow-up meeting	w/c 19 June 2023
Draft interim report with initial findings	25 August 2023
Presentation of initial findings at the Eleventh Annual LPC Research Symposium	7 September 2023
Draft final interim report	29 September 2023
Agreed final interim report	31 October 2023
Publication of interim report	November/December 2023
Meeting to discuss implications for post-2024	December 2023/January 2024
Draft updated report	March 2024
Presentation of findings at the Research Workshop	April 2024
Draft final report	Summer 2024
Final findings presented at the Twelfth Annual LPC Research Symposium	Early September 2024
Final agreed report	End of September 2024
Publication of final report	November/December 2024

This Invitation to Quote and ITQ References –
PS23125 - Wage Posting

PS23126 - Open Call for Research

PS23124 – Research on the Mobility of Low Paid Workers

are stand-alone tenders and will be scored on their own merits as outlined in the tender document, any bidder may submit a tender and be successful on one or more of these opportunities.

Terms and Conditions

Bidders are to note that any requested modifications to the Contracting Authority Terms and Conditions on the grounds of statutory and legal matters only, shall be raised as a formal clarification during the permitted clarification period.

Schedule 4 Charges

1. The Charges for the Goods and/or Services shall be as set out in this Schedule 4.
2. The contract charges are as seen in the AW5.2. Price Schedule below; £59,920.00 Excluding VAT.

AW5.2 Price Schedule

Please ensure that you DO NOT alter this spreadsheet. Any alterations may result in your Pricing being disqualified.



SOURCING REFERENCE:	PS23127	Please note that the staff costs in section 1 cell C20 should equal the staff costs outlined in section 2. Section 2 provides further detail around the project team and the distribution of staff days.					
SOURCING DOCUMENT TITLE:	Low Pay Commission Call for Research on the Impacts of the National Minimum Wage, including the National Living Wage, on Businesses						
BIDDER NAME	Institute for Fiscal Studies						
Please complete the shaded yellow sections only.							
Section 1: Total Project Costs (Summary)							
Objective	Number of Days	Total Staff Cost Per Objective (ex VAT)	Total Cost (Ex VAT)				
1. Data Collection/Compilation	6	£ 3,025.00	£ 3,025.00				
2. Research and Analysis	72	£ 37,775.00	£ 37,775.00				
3. Drafting and reporting	20	£ 12,050.00	£ 12,050.00				
4. Project management and meeting	7	£ 4,660.00	£ 4,660.00				
5. Presentations	4	£ 2,410.00	£ 2,410.00				
6. Other Costs	0	£ -	£ -				
TOTAL	109	£ 59,920.00	£ 59,920.00				
Section 2: Total Staff Costs (Please complete)							
Job Title	Standard Rate/Fees excluding VAT (£/Day)	Discounted Rate/Fees excluding VAT (£/Day)	Objective Area (Please Select)	Number of Days	Travel and Subsistence, Overhead costs, cost of production of materials and any/all costs associated with the delivery of the project (ex VAT)	Total Staff Cost (ex VAT)	Total Cost (ex VAT)
Senior Research Economist	£ 750.00	£ -	1. Data Collection/Compilation	1.00	£ -	£ 750.00	£ 750.00
Senior Research Economist	£ 750.00	£ -	2. Research and Analysis	17.00	£ -	£ 12,750.00	£ 12,750.00
Senior Research Economist	£ 750.00	£ -	3. Drafting and reporting	10.00	£ -	£ 7,500.00	£ 7,500.00
Senior Research Economist	£ 750.00	£ -	4. Project management and meeting	5.00	£ -	£ 3,750.00	£ 3,750.00
Senior Research Economist	£ 750.00	£ -	5. Presentations	2.00	£ -	£ 1,500.00	£ 1,500.00
Research Economist	£ 455.00	£ -	1. Data Collection/Compilation	5.00	£ -	£ 2,275.00	£ 2,275.00
Research Economist	£ 455.00	£ -	2. Research and Analysis	55.00	£ -	£ 25,025.00	£ 25,025.00
Research Economist	£ 455.00	£ -	3. Drafting and reporting	10.00	£ -	£ 4,550.00	£ 4,550.00
Research Economist	£ 455.00	£ -	4. Project management and meeting	2.00	£ -	£ 910.00	£ 910.00
Research Economist	£ 455.00	£ -	5. Presentations	2.00	£ -	£ 910.00	£ 910.00
TOTAL STAFF COSTS						£ 59,920.00	£ 59,920.00

Notes:
Day rate is for 8 hr day.
Half day rate is for 4 hrs.

Schedule 5 Suppliers Tender

Background

The introduction of the National Living Wage (NLW) in 2016 marked the start of a series of ambitious increases in the level of the UK minimum wage, which have brought the NLW close to the international frontier. The NLW is now set to reach two thirds of median wages by 2024, when it will also be extended to the 21-22 age group. The ambitious level and coverage of the NLW have made it the flagship policy aimed at helping low paid workers in the UK. The way in which businesses adjust to minimum wage increases is critical in determining the ultimate impacts on workers as well as on overall economic performance. The LPC has been closely monitoring the impacts of the NLW on the UK labour market and is required to make recommendations to the Government on the future rates of the NLW.

There is an emerging literature on the effect of the minimum wage on firms' profits, prices and productivity (see for example Wadsworth 2010, Draca, Machin, and van Reenen 2011, Allegretto and Reich 2018, Riley and Bondibene 2018, Mayneris, Poncet and Zhang 2018, Harasztosi and Lindner 2019, Montialoux, Renkin and Siegenthaler 2020), including some studies on the impact of the NLW conducted or commissioned by the LPC (Latimer 2022, Frontier Economics 2020). However, much less is known about how firms adjust their organisational and pay structures in response to the minimum wage. Qualitative evidence summarised in recent Low Pay Commission Annual Reports (LPC 2019, 2020, 2021) reveals that the wage compression generated by the NLW makes pay above the minimum a significant concern for employers of low-wage workers. Pay compression may negatively affect incentives to progress for workers paid the minimum wage, and reduce morale for workers slightly higher up the pay scale.

Depending on their ability to adjust their pay scales and organisational structure, firms might respond to wage compression in different ways. Those that can cope with wage bill increases might partly restore wage differentials by raising the pay of workers above the minimum wage, generating within-firm wage spillovers (Forsythe 2022). Survey evidence suggests that some firms have responded to pay compression by changing their organisational structures and cutting back on job ranks above the minimum, in order to maintain pay differentials between staff levels (Low Pay Commission 2020). Firms may adopt other ways of incentivising workers to exert effort when pay differentials are reduced, for example by paying workers by the hour or using incentive pay. Those struggling to keep up with minimum wage increases may have to delay the timing or reduce the number of promotions. Alternatively, they may shift the contractual composition of their workforce towards contractual arrangements that allow them to bypass minimum wage regulations, for example employing workers as self-employed contractors rather than employees. Taken together, these responses can have important implications for the long-term career prospects of low-paid workers, potentially offsetting some of the positive direct impacts on their wages.

The upcoming target for the NLW to reach two thirds of median wages and the concurrent extension to workers aged 21 and over create an urgent need to understand rigorously the impacts that the NLW is having on businesses, to do so in as timely a way as possible, and to communicate these findings clearly and coherently so that they can guide policy-making. In this project, we will investigate how firms change their pay and contractual practices in response to the higher wage bills and the increased pay compression generated by the NLW.

The opportunity

Since the early 1980s, much of the minimum wage literature has focused on the wage and employment effects of minimum wages. Following the seminal work by Card (1992), the first wave of quasi-experimental micro-based studies found strong evidence of an impact of the minimum

wage on hourly earnings, and of limited effects on employment and hours (Card and Krueger 1994, Machin et al. 2003). The findings of this first wave of studies – many of which have been commissioned by the LPC in the UK – have been mostly confirmed in a recent revival of minimum wage research in the US, UK and Europe (Cengiz et al. 2019, Giupponi et al. 2022, Dustmann et al. 2022).

Partly in response to these results, a smaller but growing body of research has examined margins of adjustment by firms other than employment, such as prices, productivity, profits and firm value (Forth et al. 2009, Aaronson and French 2007, Wadsworth 2010, Draca, Machin, and van Reenen 2011, Bell and Machin 2018, Allegretto and Reich 2018, Riley and Bondibene 2018, Mayneris, Poncet and Zhang 2018, Harasztosi and Lindner 2019, Frontier Economics 2020, Montialoux, Renkin and Siegenthaler 2020). Recent work has documented that the skills requirements for low-wage workers tend to increase following a minimum wage hike (Clemens et al. 2021), as does the likelihood that workers in automatable jobs lose their jobs (Lordan and Neumark 2018). There is also some evidence that firms increase their use of flexible contracts in the care sector (Datta, Giupponi and Machin 2019). Our project is mainly related to this second strand of the literature, in that we are interested in how firms adjust their pay, occupational and contractual structures in response to minimum wage increases.

In comparison to employment and wage impacts, the evidence on other adjustment channels by firms is relatively scarce (perhaps with the exception of price impacts). This is, at least in part, due to a critical lack of data sources combining granular information on firms' exposure to the minimum wage and firms' margins of adjustment other than employment.

We view this project as a unique opportunity to:

- Provide a comprehensive assessment of the effect of the minimum wage on firms' internal pay, occupational and contractual structures. To the best of our knowledge, these questions have not been addressed in the existing literature, despite being of paramount importance for our understanding of the dynamic effects of minimum wage policies on firms and on workers' career prospects in the labour market.
- Propose an innovative and easily replicable method to measure firms' exposure to the minimum wage. This method, which rests on the linkage of the Annual Survey of Hours and Earnings (ASHE) and the Annual Business Survey (ABS), allows for the imputation of measures of exposure to the NLW in a panel study with near-universal coverage of large firms in the UK.

Other than timeliness, we believe the key requirements of this work are its scientific rigour, and that the findings of the technical analysis are presented clearly and incisively (with appropriate recognition of any uncertainties) so that they can guide policy-making. The project not only demands econometric work of the kind that would be suitable for the world's leading academic journals; it also requires, unlike many papers published in those journals, that the research is communicated in a way that allows it to feed directly into a policy-making process of crucial importance. As detailed further in the "Ability to deliver" section, our project team meets both of these criteria. It contains academic experts on the topic, including an author of some of the most innovative and high-profile empirical research on the minimum wage in recent years; and people who, through their work at the IFS, have spent much of their career communicating often-technical research to policy-makers and who are experienced in conducting demanding policy evaluations for government.

The analysis

To meet the LPC's requirements, we propose to conduct a comprehensive evaluation of the effects of the NLW on firms' compensation and contractual choices. Our analysis will be based on comparisons of firms more and less exposed to the NLW. ASHE, which is the data source currently used for most analyses of labour market impacts of the minimum wages, allows to construct measures of firm exposure to the NLW only for a small sample of very large firms. To overcome this issue and use a larger sample of firms for our analysis, we will develop a new methodology of imputing the firm-level bite of the minimum wage in ABS, providing an innovative yet easily implementable way of harnessing the richness and granularity of an otherwise underutilised data source for minimum wage research. We describe the scope of our analysis below and then provide a detailed description of our empirical approach in the "Methodology and approach" section.

We analyse the impact of the NLW introduction in 2016 and its subsequent uplifts up to 2019. The sizeable minimum wage change generated by the NLW provides a unique "natural experiment" and a sufficiently large shock to identify the effect of the minimum wage on firms' pay and contractual structures. As we explain in more detail in the "Methodology and approach" section, we will also explore the option of using data up to 2022, though the confounding impact of the Covid-19 pandemic and the change in the ASHE response rate may make it difficult to identify the effect of the minimum wage.

Impacts on firms' pay structures and contract types

We will start by documenting the impacts of the NLW on firm-level average wages and on the distribution of wages within the firm. Using a firm-level version of the bunching approach pioneered by Cengiz et al. (2019), we will quantify the extent to which the NLW compresses the within-firm wage distribution, including via wage spillovers. Within-firm wage compression is likely to reduce pay differentials between workers of different tenures, and at different points of the firm's occupational ladder – aspects that we will examine by analysing changes in wage-tenure profiles and wage differentials over the occupation ladder.

Businesses can react in different ways to increases in pay levels and pay compression. When economically feasible, they may adjust employees' pay so that some of the differentials previously in place between those at the lowest level of pay and those above them are kept in place. However, when this becomes economically challenging, firms might prefer to change their organisational structure by merging multiple job-position levels at the bottom of the wage distribution ('de-layering'), or might decide to automate some low-paid jobs. Our analysis will investigate these and other mechanisms through which firms adjust their pay and occupational structures.

If pay compression leads to reduces incentives to progress for low-paid workers or lowers morale for higher-paid workers, firms might also consider altering their pay practices and adopt strategies such as the use of bonuses and other forms of performance pay to incentivise effort. Information available in ASHE allows us to investigate the extent to which firms might be switching to payment by the hour and incentive pay following minimum wage increases. Quantifying these sorts of responses is important for understanding how firm responses to minimum wages feed through to workers' pay packets, since both hourly and incentive pay structures open up workers to greater variation in their earnings.

We will also consider other ways in which businesses may respond to minimum wage hikes, specifically methods to reduce the wage bill cost of the NLW or to bypass the NLW altogether. These include shifting to the use of contracts that are not subject to minimum wage regulations,

Project plan	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24
Tasks																	
Analysis																	
Data cleaning/derivation (including imputation of bite)																	
Pay and occupational structure																	
Refine analysis based on Symposium feedback																	
Methods to incentivise effort																	
Methods to reduce wage bill																	
Firm survival																	
Refine analysis based on feedback from LPC workshop and seminars																	
Drafting																	
Presentation of data sources and methodology for inception meeting																	
Methodology paper																	
Interim report																	
Update of interim report with additional findings																	
Final report																	
Milestones and meetings																	
Inception meeting with LPC																	
Formal progress updates to LPC																	
Presentations at IFS and Bocconi seminars																	
Presentation of initial findings at 11th LPC Research Symposium																	
Presentation of further findings at LPC research workshop																	
Presentation of final findings 12th LPC Research Symposium																	
Deliverables																	
Presentation outlining project for inception meeting																	
Interim report																	
Updated interim report																	
Final report																	

For and on behalf of
Institute for Fiscal Studies (The Supplier)

Signed

Name

Position

Date

For and on behalf of **Low Pay Commission**
(The Contracting Authority)

Signed

Name

Position

Date

THIS IS THE LAST PAGE OF THESE TERMS & CONDITIONS