



Home Office

**AUTHORITY: The Secretary of State for the Home
Department (acting through the Home Office)**

**SCHEDULE 15
CHARGES AND INVOICING
ANNEX 4: INNOVATION FUND**

**Campsfield House Immigration Removal
Centre Contract**

1. DEFINITIONS:

- “Committee” means the Body charged with administering the Innovation Fund.
- “Innovation Fund” means the Fund established in accordance with Schedule 15 (*Charges and Invoicing*) for the purposes set out in Paragraph 3.

2. BACKGROUND

- 2.1 The Parties have agreed that the Supplier will pay the Authority’s share of *any* Profit Share pursuant to the provisions of Part D of Schedule 15 (*Charges and Invoicing*) into a fund (“**the Innovation Fund**”).
- 2.2 The purpose of this Annex is to:
- 2.2.1 set out the basis on which any such payment will be made by the Supplier; and
 - 2.2.2 ensure that the Innovation Fund is used for the purpose for which it intended.

3. PURPOSE AND USE OF INNOVATION FUND

- 3.1 The Parties have agreed that the Innovation Fund will be used for the purpose of pilots, tests, research and other activities in relation to the IRC, to:
- 3.1.1 improve the quality of detainee welfare;
 - 3.1.2 improve the wellbeing of Supplier Personnel engaged to provide the Services; and
 - 3.1.3 improve the efficiency and effectiveness of the immigration removal process,
- for the avoidance of doubt this shall be known as “**the Purpose**” of the Innovation Fund.
- 3.2 The Innovation Fund shall only be used for the Purpose and shall not be used for any other purpose without the prior written consent of the Innovation Fund Committee (“**the Committee**”).
4. CREATION AND OPERATION OF THE INNOVATION FUND BANK ACCOUNT
- 4.1 The Supplier shall make payments into the Innovation Fund in accordance with the provisions of Part D (*Excessive Supplier Profit Margin*) of this Schedule 15

OFFICIAL - SENSITIVE

- 4.2 The Parties agree and accept that the Supplier will make payments into the Innovation Fund only to the extent the Supplier has funds to do so.
- 4.3 No disbursements from the Innovation Fund shall be made by the Supplier unless they have been approved by the Innovation Fund Committee (**"the Committee"**).
- 4.4 The Innovation Fund shall be retained in accordance with such arrangements as may be required by the Authority, or in a separate bank account (**"the Bank Account"**) which complies with the following:
 - 4.4.1 the Bank Account must be opened by the Supplier in the name of the Supplier, with a bank:
 - (a) that is recognised as a bank under the law of England,
 - (b) that is regulated and subject to the authority of the Bank of England, the Financial Conduct Authority and Her Majesty's Treasury, and
 - (c) the registered office or branch of which is located in England;
 - 4.4.2 the Bank Account must be an ordinary business bank account or any such other type of account as the Parties may agree;
 - 4.4.3 it must be possible to make payments into and withdrawals from the Bank Account in England; and
 - 4.4.4 the Bank Account must have a recognised account number, sort code, IBAN code number and such other information as the Committee may require.
- 4.5. The Supplier shall comply and facilitate the Authority's and Committee's compliance with all legal requirements as regards the Innovation Fund and the Bank Account.
- 4.6 Withdrawals from the Innovation Fund and the Bank Account by the Supplier can only be made:
 - 4.6.1 for the Purpose; and
 - 4.6.2 with the prior written approval of the Committee, which shall be confirmed by way of a certificate, executed by two authorised signatories of the Committee, in the form set out in Schedule 1 of this Annex.
- 4.7 Any change in, or addition to, the authorised signatories of the Committee shall be notified in writing to the Supplier and the Authority by the Committee.
- 4.8 In the absence of any certificate being submitted to the Supplier in accordance with Paragraph 4.6.2, the Supplier cannot make any withdrawals or disbursements from the Innovation Fund and the Bank Account, unless:
 - 4.8.1 the Supplier has been ordered to do so by a competent court or tribunal to satisfy any tax, VAT or other financial liability that must be paid from the Innovation Fund in accordance with the law;
 - 4.8.2 the Committee and/or the Authority is required to satisfy any tax, VAT or other financial liability that must be paid by them in accordance with the law.

OFFICIAL - SENSITIVE

- 4.9 Bank statements and any other documents relating to the Innovation Fund, including (without limitation) the Bank Account, shall be provided by the Supplier to the Committee from time to time as requested, but as a minimum such documents shall be formally submitted to the Committee at the end of each Contract Year.
- 4.10 The Committee shall formally approve the bank reconciliation and the prior year's record of transactions in relation to the Innovation Fund and the Bank Account.
- 4.10.1 The Supplier shall promptly repay into the Innovation Fund and the Bank Account any money incorrectly withdrawn from the Innovation Fund and the Bank Account because of an administrative error or otherwise. This includes (without limitation) situations where either an incorrect sum of money has been withdrawn from the Innovation Fund and the Bank Account or the required Committee authorisations have not been obtained.
- 4.11 The Supplier shall not withdraw or use, or seek to withdraw or use, any monies from the Innovation Fund or the Bank Account, if the Authority has exercised its Step-in rights under Clause 28 of the Contract, or at the end of the Contract, whether that end is due to termination of the Contract by the Authority or the Supplier, expiry of the Contract, or some other event.
- 4.12 Should any part of the Innovation Fund and the Bank Account remain unspent at the end of each Contract Year of the Contract, the unspent amount shall be retained in the Innovation Fund and the Bank Account to pay for proposals approved by the Committee during subsequent years of the term of the Contract.
- 4.13 Should any part of the Innovation Fund and the Bank Account remain unspent on the date the Authority serves a Step-In Notice under Clause 28 of the Contract, or at the end of the Contract, whether that end is due to termination of the Contract by the Authority or the Supplier, expiry of the Contract, or some other event, the Supplier shall take the following action:
- 4.13.1 close the Bank Account; and
- 4.13.2 ensure that any unspent monies from the Innovation Fund and Bank Account are returned to the Authority.

5. THE INNOVATION FUND COMMITTEE

- 5.1 The Parties agree that governance of the Suppliers use of the Innovation Fund shall be by the Committee.
- 5.2 Members of the Committee shall consist of the following:
- 5.2.1 an authorised representative of the Supplier;
- 5.2.2 an authorised representative of the Authority;
- 5.2.3 the authorised representative of an appropriate independent body; and
- 5.2.4 a secretary, who will be appointed by the Supplier and responsible for facilitating the administrative work of the Committee.
- 5.3 The Committee shall meet from time to time as agreed, but at least once every Contract Year at agreed locations with a view to undertaking the following:

OFFICIAL - SENSITIVE

- 5.3.1 an independent review and/or approval or rejection of Supplier proposals for the withdrawal and use of monies from the Innovation Fund;
 - 5.3.2 an independent review and/or approval or rejection of Authority proposals for the withdrawal and use of monies from the Innovation Fund;
 - 5.3.3 any instructions it may wish to give regarding the delivery of approved proposals;
 - 5.3.4 commissioning proposals for the withdrawal and use of monies from the Innovation Fund and the Bank Account;
 - 5.3.5 agreeing and issuing written instructions to the Supplier regarding:
 - (a) approved or rejected proposals, which may include instructions relating to the amendment and/or implementation of those proposals; and
 - (b) the use of the Innovation Fund and the use of the Bank Account by the Supplier;
 - 5.3.6 an independent review of the results of any tests, pilots, research and other activities that have been approved for the Purpose of the Innovation Fund; and
 - 5.3.7 the production of an annual report setting out the work of the Committee during the term of the Contract.
 - 5.4 The Parties shall ensure that appropriate resource is made available to the Committee as required and on a regular basis, so that the objectives of this Annex can be fully realised.
 - 5.5. A chairperson for the Committee shall be appointed by the Committee for each Committee meeting. The Parties shall agree the method for recruiting the chairperson and the role of the chairperson.
 - 5.6 Committee meetings shall be quorate as long as a representative from each Party and the appropriate independent body are present.
 - 5.7 The secretary of the Committee shall be responsible for:
 - 1. scheduling meetings;
 - 2. setting the agenda for meetings and circulating any meeting documents to all attendees in advance of such meeting;
 - 3. chairing the meetings;
 - 4. monitoring the progress of any follow up tasks and activities agreed to be carried out in advance of subsequent meetings;
 - 5. ensuring that minutes of meetings are recorded and disseminated electronically to the appropriate persons and to all attendees within seven Working Days after a meeting; and
 - 6. facilitating the process or procedure by which any decision agreed at any meeting is given effect in the appropriate manner.
-

6. ACCOUNTS AND RECORDS

- 6.1 The Innovation Fund including the balance in the Bank Account shall be shown in the Supplier's accounts and records.
- 6.2 The Supplier shall keep separate, accurate and up-to-date accounts and records of its withdrawals from and expenditure of monies from the Innovation Fund and the Bank Account.
- 6.3 The Supplier shall keep all invoices, receipts, accounts, records and any other relevant documents relating to the withdrawals from and its receipt and expenditure of monies from the Innovation Fund for the term of this Contract. The Committee and the Authority shall have the right to review and take copies of all documents kept by the Supplier in compliance with this paragraph.

7. MONITORING AND REPORTING

- 7.1 The Committee and the Supplier shall closely monitor the delivery and success of the Innovation Fund and the Bank Account to ensure that the aims and objectives of the Innovation Fund are being met.
- 7.2 The Supplier shall provide the Committee with an annual report that explains its use of monies from the Innovation Fund and the Bank Account, as follows:
 - 7.2.1 any withdrawals and disbursements from the fund with explanatory narrative;
 - 7.2.2 any balances and movements from the fund with explanatory narrative;
 - 7.2.3 the progress of each approved proposal, including the total amount of funding that has been used, activities undertaken, and benefits realised; and
 - 7.2.4 such other information as the Committee may reasonably request,in such format as the Committee may reasonably require.
- 7.3 In accordance with Part C of Schedule 19 (*Financial Reports and Audit Rights*), the Supplier shall permit any person authorised by the Committee and the Authority such reasonable access to its Supplier Personnel, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the Supplier's fulfilment of this Annex and shall, if so required, provide appropriate oral or written explanations for them.

8. PUBLICITY

- 8.1 The Supplier shall not publish any material referring to the Innovation Fund or the Bank Account without the prior written consent of the Committee and the Authority.

9 DISPUTE RESOLUTION

- 9.1 In the event of any complaint or dispute arising between the Parties regarding the Innovation Fund and the Bank Account, the following shall apply:
 - 9.1.1 the matter shall first be referred to the relevant authorised representatives of the Parties for resolution;

OFFICIAL - SENSITIVE

- 9.1.2 if the matter is not resolved by the authorised representatives of the Parties the matter will be referred to the Committee; and
- 9.1.3 if the matter is not resolved by the Committee the matter shall be referred to Dispute Resolution as set out in Schedule 23 (*Dispute Resolution Procedure*).

10. TERMS AND CONDITIONS

- 10.1 In addition to this Annex, all the Terms & Condition of the Contract shall apply to the Authority, the Supplier and the Committee in relation to the Innovation Fund and the Bank Account.

OFFICIAL - SENSITIVE

**SCHEDULE 1 (FORM OF CERTIFICATE OF AUTHORISED SIGNATORIES OF
INNOVATION FUND COMMITTEE)**

COMMITTEE SIGNATURE ONE

Name	Position	Specimen
		[SIGNATURE]

COMMITTEE SIGNATURE TWO

NAME	POSITION	SPECIMEN SIGNATURE
		[SIGNATURE]