HM Revenue & Customs

HMRC Tier 3 Model ICT Contract
Version 2.0 (April 2019)

SCHEDULE 8.1 | Governance

Schedule 8.1 | Governance

1 DEFINITIONS

In this Schedule, the following definitions shall apply:

"Board Member"	the initial persons appointed by the Authority and Supplier to the Boards as set out in Annex 1 and any replacements from time to time agreed by the Parties in accordance with Paragraph 3.2;
"Boards"	the Operational Board and Executive Board and **"Board"** shall mean any of them;
"Executive Board"	the body described in Paragraph 5;
"Operational Board"	the body described in Paragraph 4.

2 MANAGEMENT OF THE SERVICES

2.1 The Supplier Representative and the Authority Representative shall for the purposes of this Agreement manage the Services on a day-to-day basis.

2.2 Both Parties shall ensure that appropriate resource is made available on a regular basis such that the aims, objectives and specific provisions of this Agreement can be fully realised.

3 BOARDS

Establishment and structure of the Boards

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

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

Board meetings

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

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

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

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

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

3.6 The provisions of this Schedule are without prejudice to other provisions of this Agreement which require regular meetings to take place between the Parties in connection with the delivery of the Services (including Performance Review Meetings) and such other meetings which may be held with Other Suppliers and/or other third parties that the Authority may request from time to time. For the avoidance of doubt, such meetings shall also form part of the governance of this Agreement and the Supplier shall ensure that an appropriate representative attends, on the Supplier's behalf.

4 ROLE OF THE OPERATIONAL BOARD

4.1 The Operational Board shall be responsible for the executive management of the Services and shall:

(a) be accountable to the Executive Board for comprehensive oversight of the Services and for the senior management of the operational relationship between the Parties;

(b) receive reports on matters such as issues relating to delivery of existing Services and performance against Performance Indicators, progress against the Implementation Plan or a Project Plan and possible future developments;

(c) review and report to the Executive Board on service management, Change, co-ordination of individual projects and any integration issues;

(d) deal with the prioritisation of resources and the appointment of Project Managers on behalf of the Parties;

(e) in accordance with the provisions of Paragraph 4 (*Commercial Negotiation*) of Schedule 8.4 (*Dispute Resolution Procedure*), consider and resolve Disputes (including Disputes as to the cause of a Delay or the performance of the Services) in the first instance and if necessary escalate the Dispute to the Executive Board;

(f) develop operational/supplier relationship and develop and propose the relationship development strategy and ensure the implementation of the same;

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

(h) if the Parties are unable to agree a Change in accordance with Schedule 8.3 (*Change Control Procedure*), assess the impact and approve or reject all Change Requests.

Risk management

4.2 The Operational Board shall identify and manage risks relating to the performance of the Services.

Technical oversight

4.3 The Operational Board shall be accountable to the Executive Board for oversight of the technology used in the Supplier Solution and ensuring that technological choices are made to maximise the long term value of the Supplier Solution as a business asset of the Authority.

4.4 The Operational Board shall:

(a) ensure compliance with the Standards;

(b) grant dispensations for variations from such compliance where appropriate;

(c) assure the coherence and consistency of the systems architecture for the Supplier Solution;

(d) monitor developments in new technology and reporting on their potential benefit to the Services;

(e) authorise the commissioning and initiation of, and assess opportunities for, Optional Services;

(f) provide advice, guidance and information on technical issues;

(g) assure that the technical architecture of the Supplier Solution is aligned to the Service Requirements and has sufficient flexibility to cope with future requirements of the Authority; and

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

Transition and Exit Management

4.5 The Operational Board shall manage all Implementation and Exit Management functions as required under Schedules 6.1 *(Implementation)* and 8.5 *(Exit Management).*

5 ROLE OF THE EXECUTIVE BOARD

5.1 The Executive Board shall consider and resolve Disputes escalated to it by the Operational Board and shall provide executive level guidance, leadership and strategy for the delivery of the Services when required by the Operational Board.

6 CONTRACT MANAGEMENT MECHANISMS

6.1 Both Parties shall pro-actively manage risks attributed to them under the terms of this Agreement.

6.2 The Supplier shall develop, operate, maintain and amend, as agreed with the Authority, processes for:

(a) the identification and management of risks;

(b) the identification and management of issues; and

(c) monitoring and controlling project plans.

6.3 The Risk Register shall be updated by the Supplier and submitted for review by the Operational Board.

7 ANNUAL REVIEW

7.1 An annual review meeting shall be held throughout the Term on a date to be agreed between the Parties.

7.2 The meetings shall be attended by the client manager of the Supplier and the contract manager of the Authority and any other persons considered by the Authority necessary for the review.

ANNEX 1 | BOARD REPRESENTATION AND STRUCTURE

Operational Board Representation and Structure

Authority Members of Operational Board	REDACTED
Supplier Members of Operational Board	REDACTED
Start Date for Operational Board meetings	From the effective date
Frequency of Operational Board meetings	Monthly, or at any other frequency as required by the Authority acting in its sole discretion
Location of Operational Board meetings	TBA

Executive Board Representation and Structure

Authority Members of Executive Board	REDACTED
Supplier Members of Executive Board	REDACTED
Start Date for Executive Board meetings	From the effective date
Frequency of Executive Board meetings	Annual, or at any other frequency as required by the Authority acting in its sole discretion
Location of Executive Board meetings	TBA