



MODEL SERVICES CONTRACT

DATED 30 July 2024

(1) The Secretary of State for Work and Pensions
and
(2) Restore Digital Limited

CONTRACT

relating to

Inbound Mail and Document Management

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THIS CONTRACT is made on 30 July 2024

BETWEEN:

- (1) **The Secretary of State for Work and Pensions** (the “**Authority**”); and
- (2) Restore Digital Limited a company registered in England and Wales under company number 04624743 whose registered office is at Village Way, Bilston, Wolverhampton, England, WV14 0UJ (the “**Supplier**”)

(each a “**Party**” and together the “**Parties**”).

INTRODUCTION

On 18 September 2023 the Authority advertised on Find a Tender number 2023/S 000-027500 (reference: 2023-042678), inviting prospective suppliers to submit proposals for the provision of services for Inbound Mail and Document Management.

On the basis of the Supplier's response to the advertisement and a subsequent tender process, the Authority selected the Supplier as its preferred supplier.

IT IS AGREED as follows:

Section A: Preliminaries

1 Definitions and Interpretation

- 1.1 In this Contract, unless otherwise provided or the context otherwise requires, capitalised expressions shall have the meanings set out in Schedule 1 (*Definitions*) or the relevant Schedule in which that capitalised expression appears.
- 1.2 Interpretation is as set out in Schedule 1 (*Definitions*).
- 1.3 If there is any conflict between the Clauses and the Schedules and/or any Annexes to the Schedules, the conflict shall be resolved in accordance with the following order of precedence:
- 1.3.1 the Clauses and Schedule 1 (*Definitions*);
 - 1.3.2 Schedules 2 (*Services Description*) and 3 (*Performance Levels*) and their Annexes;
 - 1.3.3 Schedule 33 (*DWP Additional Requirements*) including its Appendix and Annexes
 - 1.3.4 any other Schedules and their Annexes (other than Schedule 8 (*Supplier Solution*) and its Annexes); and
 - 1.3.5 Schedule 8 (*Supplier Solution*) and its Annexes (if any) unless any part of the Supplier Solution offers a better commercial position for the Authority (as decided by the Authority, in its absolute discretion), in which case that part of the Supplier Solution will take precedence over the documents above.
- 1.4 The Schedules and their Annexes form part of this Contract.
- 1.5 In entering into this Contract, the Authority is acting as part of the Crown.

2 Due Diligence

- 2.1 The Supplier acknowledges that:
- 2.1.1 the Authority has delivered or made available to the Supplier all of the information and documents that the Supplier considers necessary or relevant for the performance of its obligations under this Contract;
 - 2.1.2 it has made its own enquiries to satisfy itself as to the accuracy and adequacy of the Due Diligence Information;
 - 2.1.3 it has satisfied itself (whether by inspection or having raised all relevant due diligence questions with the Authority before the Effective Date) of all relevant details relating to:
 - (a) the Authority Requirements;
 - (b) the suitability of the existing and (to the extent that it is defined or reasonably foreseeable at the Effective Date) future Operating Environment;

- (c) the operating processes and procedures and the working methods of the Authority;
- (d) the ownership, functionality, capacity, condition and suitability for use in the Services of the Authority Assets; and
- (e) the existing contracts (including any licences, support, maintenance and other agreements relating to the Operating Environment) referred to in the Due Diligence Information which may be novated to, assigned to or managed by the Supplier under this Contract and/or which the Supplier will require the benefit of for the provision of the Services; and
- (f) it has advised the Authority in writing of:
 - (i) each aspect, if any, of the Operating Environment that is not suitable for the provision of the Services;
 - (ii) the actions needed to remedy each such unsuitable aspect; and
 - (iii) a timetable for and, to the extent that such costs are to be payable to the Supplier, the costs of those actions,

and such actions, timetable and costs are fully reflected in this Contract, including the Services Description and/or Authority Responsibilities as applicable.

2.2 The Supplier shall not be excused from the performance of any of its obligations under this Contract on the grounds of, nor shall the Supplier be entitled to recover any additional costs or charges, arising as a result of:

- 2.2.1 any unsuitable aspects of the Operating Environment;
- 2.2.2 any misinterpretation of the Authority Requirements; and/or
- 2.2.3 any failure by the Supplier to satisfy itself as to the accuracy and/or adequacy of the Due Diligence Information.

3 Warranties

3.1 The Authority represents and warrants that:

- 3.1.1 it has full capacity and authority to enter into and to perform this Contract;
- 3.1.2 this Contract is entered into by its duly authorised representative;
- 3.1.3 there are no actions, suits or proceedings or regulatory investigations before any court or administrative body or arbitration tribunal pending or, to its knowledge, threatened against it that might affect its ability to perform its obligations under this Contract; and
- 3.1.4 its obligations under this Contract constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar Laws affecting creditors' rights generally and subject, as to enforceability, to equitable

principles of general application (regardless of whether enforcement is sought in a proceeding in equity or law).

3.2 The Supplier represents and warrants that:

- 3.2.1 it is validly incorporated, organised and subsisting in accordance with the Laws of its place of incorporation;
- 3.2.2 it has full capacity and authority to enter into and to perform this Contract;
- 3.2.3 this Contract is entered into by its duly authorised representative;
- 3.2.4 it has all necessary consents and regulatory approvals to enter into this Contract;
- 3.2.5 it has notified the Authority in writing of any actions, suits or proceedings or regulatory investigations before any court or administrative body or arbitration tribunal pending or, to its knowledge, any threatened against it or any of its Affiliates that might affect its ability to perform its obligations under this Contract;
- 3.2.6 its execution, delivery and performance of its obligations under this Contract will not constitute a breach of any Law or obligation applicable to it and will not cause or result in a default under any agreement by which it is bound;
- 3.2.7 its obligations under this Contract constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar Laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or law);
- 3.2.8 all written statements and representations in any written submissions made by the Supplier as part of the procurement process, including without limitation its response to the selection questionnaire and ITT (if applicable), its tender and any other documents submitted remain true and accurate except to the extent that such statements and representations have been superseded or varied by this Contract or to the extent that the Supplier has otherwise disclosed to the Authority in writing prior to the date of this Contract;
- 3.2.9 it has notified the Authority in writing of any Occasions of Tax Non-Compliance and any litigation in which it is involved that is in connection with any Occasion of Tax Non-Compliance;
- 3.2.10 it has all necessary rights in and to the Licensed Software, the Third Party IPRs, the Supplier Background IPRs and any other materials made available by the Supplier (and/or any Sub-contractor) to the Authority which are necessary for the performance of the Supplier's obligations under this Contract and/or the receipt of the Services by the Authority;
- 3.2.11 the Contract Inception Report is a true and accurate reflection of the Costs and Supplier Profit Margin forecast by the Supplier and the Supplier does not have any other internal financial model in relation to the Services inconsistent with the Financial Model;

- 3.2.12 it is not subject to any contractual obligation, compliance with which is likely to have a material adverse effect on its ability to perform its obligations under this Contract;
 - 3.2.13 no proceedings or other steps have been taken and not discharged (nor, to the best of its knowledge, are threatened) for the winding up of the Supplier or for its dissolution or for the appointment of a receiver, administrative receiver, liquidator, manager, administrator or similar officer in relation to any of the Supplier's assets or revenue; and
 - 3.2.14 within the previous two (2) years, no Financial Distress Events have occurred or are subsisting (or any events that would be deemed to be Financial Distress Events under this Contract had this Contract been in force) and there are currently no matters that it is aware of that could cause a Financial Distress Event to occur or subsist.
- 3.3 The representations and warranties set out in Clause 3.2 shall be deemed to be repeated by the Supplier on the Effective Date (if later than the date of signature of this Contract) by reference to the facts then existing.
- 3.4 Each of the representations and warranties set out in Clauses 3.1 and 3.2 shall be construed as a separate representation and warranty and shall not be limited or restricted by reference to, or inference from, the terms of any other representation, warranty or any other undertaking in this Contract.
- 3.5 If at any time a Party becomes aware that a representation or warranty given by it under Clause 3.1 or 3.2 has been breached, is untrue or is misleading, it shall immediately notify the other Party of the relevant occurrence in sufficient detail to enable the other Party to make an accurate assessment of the situation.
- 3.6 For the avoidance of doubt, the fact that any provision within this Contract is expressed as a warranty shall not preclude any right of termination which the Authority may have in respect of breach of that provision by the Supplier.
- 3.7 Except as expressly stated in this Contract, all warranties and conditions whether express or implied by statute, common law or otherwise are hereby excluded to the extent permitted by Law.
- 3.8 The Supplier indemnifies the Authority against wilful misconduct of the Supplier, Subcontractor and Supplier Personnel that impacts the Contract.

Section B: The Services

4 Term

4.1 This Contract shall:

- 4.1.1 come into force on the Effective Date, save for Clauses 1 (*Definitions and Interpretation*), 3 (*Warranties*), 4 (*Term*), 19 (*Confidentiality*), 20 (*Transparency and Freedom of Information*), 22 (*Publicity and Branding*), 23 (*Limitations on Liability*), 35 (*Waiver and Cumulative Remedies*), 36 (*Relationship of the Parties*), 38 (*Severance*), 40 (*Entire Agreement*), 41 (*Third Party Rights*), 42 (*Notices*), 43 (*Disputes*) and 44 (*Governing Law and Jurisdiction*), which shall be binding and enforceable as between the Parties from the date of signature; and
- 4.1.2 unless terminated at an earlier date by operation of Law or in accordance with Clause 31 (*Termination Rights*), terminate:
 - (a) at the end of the Initial Term; or
 - (b) if the Authority elects to extend the Initial Term by giving the Supplier at least 10 months' notice before the end of the Initial Term, at the end of the Extension Period.

Condition Precedent

- 4.2 Save for Clauses 1 (*Definitions and Interpretation*), 3 (*Warranties*), 4 (*Term*), 19 (*Confidentiality*), 20 (*Transparency and Freedom of Information*), 22 (*Publicity and Branding*), 23 (*Limitations on Liability*), 35 (*Waiver and Cumulative Remedies*), 36 (*Relationship of the Parties*), 38 (*Severance*), 40 (*Entire Agreement*), 41 (*Third Party Rights*), 42 (*Notices*), 43 (*Disputes*) and 44 (*Governing Law and Jurisdiction*), this Contract is conditional upon the valid execution and delivery to the Authority of the Guarantee (the "**Condition Precedent**"). The Authority may in its sole discretion at any time agree to waive compliance with the Condition Precedent by giving the Supplier notice in writing.
- 4.3 The Supplier shall satisfy, or procure the satisfaction of, the Condition Precedent as soon as possible. In the event that the Condition Precedent is not satisfied within 20 Working Days after the date of this Contract then, unless the Condition Precedent is waived by the Authority in accordance with Clause 4.2:
 - 4.3.1 this Contract shall automatically cease and shall not come into effect; and
 - 4.3.2 neither Party shall have any obligation to pay any compensation to the other Party as a result of such cessation.
- 4.4 The Supplier shall consult with the Authority in relation to the steps it takes to satisfy the condition set out in Clause 4.2 and shall keep the Authority fully informed of its progress in satisfying the condition and of any circumstances which are likely to result in the condition not being satisfied by the date set out in Clause 4.3.

5 Services

Standard of Services

5.1 The Supplier shall provide:

- 5.1.1 the Implementation Services from (and including) the Implementation Services Commencement Date; and
- 5.1.2 the Operational Services in each case from (and including) the relevant Operational Service Commencement Date.

5.2 The Supplier shall ensure that:

5.2.1 the Services:

- (a) comply in all respects with the Services Description; and
- (b) are supplied in accordance with the Supplier Solution and the provisions of this Contract; and

5.2.2 where:

- (a) the Operational Services to be provided from any Operational Service Commencement Date are similar to services that the Authority was receiving immediately prior to that Operational Service Commencement Date (such similar services being “**Preceding Services**”); and
- (b) the standard and level of service received by the Authority in respect of any of the Preceding Services in the 12-month period immediately prior to that Operational Service Commencement Date have been disclosed to the Supplier in the Due Diligence Information (such preceding services being “**Relevant Preceding Services**”),

the Operational Services to be provided from the relevant Operational Service Commencement Date that are similar to the Relevant Preceding Services are in each case provided to a standard and level of service which is at least as good as the standard and level of service received by the Authority in respect of the Relevant Preceding Services in the 12 month period immediately prior to the relevant Operational Service Commencement Date.

5.3 The Supplier shall:

- 5.3.1 perform its obligations under this Contract, including in relation to the supply of the Services and any Goods in accordance with:
 - (a) all applicable Law;
 - (b) Good Industry Practice;
 - (c) the Standards;
 - (d) the Baseline Security Requirements;
 - (e) the Quality Plans;

- (f) the Authority IT Strategy; and
 - (g) the Supplier's own established procedures and practices to the extent the same do not conflict with the requirements of Clauses 5.3.1(a) to 5.3.1(f); and
- 5.3.2 indemnify the Authority against any costs resulting from any breach by the Supplier of any applicable Law relating to the Contract; and
- 5.3.3 deliver the Services using efficient business processes and ways of working having regard to the Authority's obligation to ensure value for money.
- 5.4 In the event that the Supplier becomes aware of any inconsistency between the requirements of Clauses 5.3.1(a) to 5.3.1(f), the Supplier shall immediately notify the Authority Representative in writing of such inconsistency and the Authority Representative shall, as soon as practicable, notify the Supplier which requirement the Supplier shall comply with.
- 5.4A The Supplier acknowledges and agrees that Authority relies upon the Supplier providing all accurate, adequate, and appropriate information in respect of the Services. Where the Supplier considers information relevant to the security of the Services it shall promptly notify the Authority of such information. Notwithstanding the involvement of the Authority in assessing the arrangements which the Supplier implements to ensure the security of the Authority Data and the Information Management System, the Supplier is and shall remain liable for:
 - 5.4A.1 the security, confidentiality, integrity and availability of the Authority Data whilst that Authority Data is under the control of the Supplier or any of its Sub-contractors; and
 - 5.4.A.2 the security of the Information Management System.

Supplier covenants

- 5.5 The Supplier shall:
 - 5.5.1 at all times allocate sufficient resources with the appropriate technical expertise to supply the Deliverables and to provide the Services in accordance with this Contract;
 - 5.5.2 save to the extent that obtaining and maintaining the same are Authority Responsibilities and subject to Clause 13 (*Change*), obtain, and maintain throughout the duration of this Contract, all the consents, approvals, licences and permissions (statutory, regulatory contractual or otherwise) it may require and which are necessary for the provision of the Services;
 - 5.5.3 ensure that:
 - (a) it shall continue to have all necessary rights in and to the Licensed Software, the Third Party IPRs, the Supplier Background IPRs and any other materials made available by the Supplier (and/or any Sub-contractor) to the Authority which are necessary for the performance of the Supplier's obligations under this Contract and/or the receipt of the Services by the Authority;

- (b) the release of any new Software or upgrade to any Software complies with the interface requirements in the Services Description and (except in relation to new Software or upgrades which are released to address Malicious Software or to comply with the requirements of Schedule 5 (*Security Management*)) shall notify the Authority 3 months before the release of any new Software or Upgrade;
 - (c) all Software including Upgrades, Updates and New Releases used by or on behalf of the Supplier are currently supported versions of that Software and perform in all material respects in accordance with the relevant specification;
 - (d) any products or services recommended or otherwise specified by the Supplier for use by the Authority in conjunction with the Deliverables and/or the Services shall enable the Deliverables and/or Services to meet the Authority Requirements; and
 - (e) the Supplier System and Assets used in the performance of the Services will be free of all encumbrances (except as agreed in writing with the Authority);
- 5.5.4 minimise any disruption to the Services, the IT Environment and/or the Authority's operations when carrying out its obligations under this Contract;
- 5.5.5 ensure that any Documentation and training provided by the Supplier to the Authority are comprehensive, accurate and prepared in accordance with Good Industry Practice;
- 5.5.6 co-operate with any Other Supplier notified to the Supplier by the Authority from time to time by providing:
 - (a) reasonable information (including any Documentation);
 - (b) advice; and
 - (c) reasonable assistance,

in connection with the Services to any such Other Supplier to enable such Other Supplier to create and maintain technical or organisational interfaces with the Services and, on the expiry or termination of this Contract for any reason, to enable the timely transition of the Services (or any of them) to the Authority and/or to any Replacement Supplier in accordance with the following collaborative working principles:

 - (a) proactively leading on, mitigating and contributing to the resolution of problems or issues irrespective of its contractual obligations, acting in accordance with the principle of "fix first, settle later";
 - (b) being open, transparent and responsive in sharing relevant and accurate information with such Other Suppliers;
 - (c) where reasonable, adopting common working practices, terminology, standards and technology and a collaborative approach to service development and resourcing with such Other Suppliers;

- (d) providing reasonable cooperation, support, information and assistance to such Other Suppliers in a proactive, transparent and open way and in a spirit of trust and mutual confidence; and
 - (e) identifying, implementing and capitalising on opportunities to improve Deliverables and deliver better solutions and performance throughout the relationship lifecycle;
- 5.5.7 to the extent it is legally able to do so, hold on trust for the sole benefit of the Authority, all warranties and indemnities provided by third parties or any Sub-contractor in respect of any Deliverables and/or the Services and, where any such warranties are held on trust, at its cost enforce such warranties in accordance with any reasonable directions that the Authority may notify from time to time to the Supplier;
- 5.5.8 unless it is unable to do so, assign to the Authority on the Authority's written request and at the cost of the Supplier any such warranties and/or indemnities as are referred to in Clause 5.5.7;
- 5.5.9 provide the Authority with such assistance as the Authority may reasonably require during the Term in respect of the supply of the Services;
- 5.5.10 gather, collate and provide such information and co-operation as the Authority may reasonably request for the purposes of ascertaining the Supplier's compliance with its obligations under this Contract;
- 5.5.11 notify the Authority in writing as soon as reasonably possible and in any event within 1 month of any change of Control taking place;
- 5.5.12 notify the Authority in writing within 10 Working Days of their occurrence of any actions, suits or proceedings or regulatory investigations before any court or administrative body or arbitration tribunal pending or, to its knowledge, threatened against it that might affect its ability to perform its obligations under this Contract;
- 5.5.13 ensure that neither it, nor any of its Affiliates, embarrasses the Authority or otherwise brings the Authority into disrepute by engaging in any act or omission in relation to this Contract which is reasonably likely to diminish the trust that the public places in the Authority; and
- 5.5.14 manage closure or termination of Services and end of life of Goods to take account of the Authority's disposal requirements, including recycling and scope for re-use, and all applicable Standards.
- 5.6 An obligation on the Supplier to do, or to refrain from doing, any act or thing shall include an obligation upon the Supplier to procure that all Sub-contractors and Supplier Personnel also do, or refrain from doing, such act or thing.
- 5.7 Without prejudice to Clauses 17.2 and 17.3 (*IPRs Indemnity*) and any other rights and remedies of the Authority howsoever arising, the Supplier shall:
 - 5.7.1 remedy any breach of its obligations in Clauses 5.5.2 to 5.5.4 inclusive within 3 Working Days of becoming aware of the breach or being notified of the breach by the Authority where practicable or within such other time period as may be

agreed with the Authority (taking into account the nature of the breach that has occurred);

5.7.2 remedy any breach of its obligations in Clause 5.1.1 and Clauses 5.5.5 to 5.5.10 inclusive within 20 Working Days of becoming aware of the breach or being notified of the breach by the Authority; and

5.7.3 meet all the costs of, and incidental to, the performance of such remedial work, and any failure of the Supplier to comply with its obligations under Clause 5.7.1 or Clause 5.7.2 within the specified or agreed timeframe shall constitute a Notifiable Default.

Specially Written Software warranty

5.8 Without prejudice to Clauses 5.5 (*Supplier Covenants*) and 5.7 (*Services*) and any other rights and remedies of the Authority howsoever arising, the Supplier warrants to the Authority that all components of the Specially Written Software shall:

5.8.1 be free from material design and programming errors;

5.8.2 perform in all material respects in accordance with the relevant specifications contained in the Supplier Solution and Documentation; and

5.8.3 not infringe any Intellectual Property Rights.

Continuing obligation to provide the Services

5.9 The Supplier shall continue to perform all of its obligations under this Contract and shall not suspend the supply of the Services, notwithstanding:

5.9.1 any withholding of the Service Charges by the Authority pursuant to Clause 7.2.4(b) (*Performance Failures*);

5.9.2 the existence of an unresolved Dispute; and/or

5.9.3 any failure by the Authority to pay any Charges,

unless the Supplier is entitled to terminate this Contract under Clause 31.3.1 (*Termination by the Supplier*) for failure to pay undisputed Charges.

Optional Services

5.10 Not used

5.11 Not used

5.12 Not used

Power of attorney

5.13 By way of security for the performance of its obligations under Clauses 5.5.7 and 5.5.8 (*Supplier covenants*) the Supplier:

5.13.1 hereby irrevocably appoints the Authority as its agent and attorney to act with full power and authority in the Supplier's name and on its behalf to do all such acts and execute all such documents as may be necessary or desirable to

enforce any such warranties and/or effect any such assignment as are referred to in such Clauses and to delegate one or more of the powers conferred on it by this Clause 5.13 (other than the power to delegate) to officer(s) appointed for that purpose by the Authority and may vary or revoke such delegation at any time;

5.13.2 shall promptly, at its own expense, execute any deed that the Authority may reasonably require to create or perfect the appointment of the power of attorney referred to in this Clause 5.13; and

5.13.3 ratifies and confirms, and agrees to ratify and confirm, anything that any of its attorneys may do in the proper and lawful exercise, or purported exercise, of all or any of the rights, powers, authorities and discretions referred to in this Clause 5.13.

Authority Responsibilities

5.14 The Authority shall comply with its responsibilities set out in Schedule 7 (*Authority Responsibilities*).

6 Implementation

Quality Plans

6.1 The Supplier shall develop, within 50 Working Days of the Effective Date, quality plans that ensure that all aspects of the Services are the subject of quality management systems and are consistent with BS EN ISO 9001 or any equivalent standard which is generally recognised as having replaced it ("**Quality Plans**").

6.2 The Supplier shall obtain the Authority Representative's written approval of the Quality Plans before implementing them, which approval shall not be unreasonably withheld or delayed. The Supplier acknowledges and accepts that the Authority's approval shall not act as an endorsement of the Quality Plans and shall not relieve the Supplier of its responsibility for ensuring that the Services are provided to the standard required by this Contract.

6.3 Following the approval by the Authority of the Quality Plans:

6.3.1 the Supplier shall design and deliver all Deliverables in accordance with the Quality Plans; and

6.3.2 any Changes to the Quality Plans shall be agreed in accordance with the Change Control Procedure.

Implementation Plan and Delays

6.4 The Parties shall comply with the provisions of Schedule 13 (*Implementation Plan*) in relation to the agreement and maintenance of the Detailed Implementation Plan.

6.5 The Supplier shall:

6.5.1 comply with the Implementation Plan; and

6.5.2 ensure that each Milestone is Achieved on or before its Milestone Date.

6.6 If the Supplier becomes aware that there is, or there is reasonably likely to be, a Delay:

6.6.1 it shall:

- (a) notify the Authority in accordance with Clause 25.1 (*Rectification Plan Process*); and
- (b) comply with the Rectification Plan Process in order to address the impact of the Delay or anticipated Delay; and
- (c) use all reasonable endeavours to eliminate or mitigate the consequences of any Delay or anticipated Delay.

Testing and Achievement of Milestones

6.7 The Parties shall comply with the provisions of Schedule 14 (*Testing Procedures*) in relation to the procedures to determine whether a Milestone or Test has been Achieved.

7 Performance Indicators

7.1 The Supplier shall:

- 7.1.1 provide the Operational Services in such a manner so as to meet or exceed the Target Performance Level for each Performance Indicator from the Milestone Date for each relevant CPP Milestone; and
- 7.1.2 comply with the provisions of Schedule 3 (*Performance Levels*) in relation to the monitoring and reporting on its performance against the Performance Indicators.

Performance Failures

7.2 If in any Service Period:

- 7.2.1 a KPI Failure occurs, Service Credits shall be deducted from the Service Charges in accordance with Paragraph 3 of Part C of Schedule 15 (*Charges and Invoicing*);
- 7.2.2 a Material KPI Failure occurs, the Supplier shall comply with the Rectification Plan Process (in addition to Service Credits accruing in accordance with Clause 7.2.1);
- 7.2.3 a PI Failure occurs, the Supplier shall notify the Authority of the action (if any) it will take to rectify the PI Failure and/or to prevent the PI Failure from recurring; and/or
- 7.2.4 a Material PI Failure occurs:
 - (a) the Supplier shall comply with the Rectification Plan Process; and
 - (b) the Authority may withhold a proportionate amount of the Service Charges in accordance with the process set out in Clause 10.8 (*Set Off and Withholding*) until the relevant Material PI Failure is rectified to the reasonable satisfaction of the Authority, at which point the Authority shall pay the amount withheld.

- 7.3 Service Credits shall be the Authority's exclusive financial remedy for a KPI Failure except where:
- 7.3.1 the Supplier has over the previous 12-month period accrued Service Credits in excess of the Service Credit Cap;
 - 7.3.2 the KPI Failure:
 - (a) breaches the relevant KPI Service Threshold;
 - (b) has arisen due to the wilful default by the Supplier or any Supplier Personnel; or
 - (c) results in:
 - (i) the corruption or loss of any Authority Data (in which case the remedies under Clause 18.7 (*Authority Data and Security Requirements*) shall also be available); and/or
 - (ii) the Authority being required to make a compensation payment to one or more third parties;
 - 7.3.3 the Supplier has fraudulently misreported its performance against any Performance Indicator; and/or
 - 7.3.4 the Authority is otherwise entitled to or does terminate the relevant Services or this Contract pursuant to Clause 31.1.2 (*Termination by the Authority*).

Unacceptable KPI Failure

- 7.4 If in any Service Period an Unacceptable KPI Failure occurs:
- 7.4.1 the Authority shall (subject to the Service Credit Cap set out in Clause 23.4.2 (*Financial and other limits*)) be entitled to withhold and retain as compensation for the Unacceptable KPI Failure a sum equal to any Service Charges which would otherwise have been due to the Supplier in respect of that Service Period (such sum being "**Compensation for Unacceptable KPI Failure**"); and
 - 7.4.2 if the Authority withholds and retains such Compensation for Unacceptable KPI Failure, any Service Points and Service Credits that would otherwise have accrued during the relevant Service Period shall not accrue,
- provided that the operation of this Clause 7.4 shall be without prejudice to any right which the Authority may have to terminate this Contract and/or to claim damages from the Supplier as a result of such Unacceptable KPI Failure.
- 7.5 The Supplier:
- 7.5.1 agrees that the application of Clause 7.4 is commercially justifiable where an Unacceptable KPI Failure occurs; and
 - 7.5.2 acknowledges that it has taken legal advice on the application of Clause 7.4 and has had the opportunity to price for that risk when calculating the Service Charges.

Critical Performance Failure

- 7.6 If a Critical Performance Failure occurs, the Authority may exercise its rights to terminate this Contract in whole or in part pursuant to Clause 31.1 or 31.2 (*Termination by the Authority*).

Changes to Performance Indicators and Service Credits

- 7.7 Not more than once in each Contract Year the Authority may, on giving the Supplier at least 3 months' notice:
- 7.7.1 change the weighting that applies in respect of one or more specific Key Performance Indicators; and/or
 - 7.7.2 convert one or more:
 - (a) Key Performance Indicators into a Subsidiary Performance Indicator; and/or
 - (b) Subsidiary Performance Indicators into a Key Performance Indicator (in which event the Authority shall also set out in the notice details of what will constitute a Minor KPI Failure, a Serious KPI Failure and a Severe KPI Failure for the new Key Performance Indicator).
- 7.8 The Supplier shall not be entitled to object to any changes made by the Authority under Clause 7.7, or increase the Service Charges as a result of such changes provided that:
- 7.8.1 the total number of Key Performance Indicators does not exceed 25;
 - 7.8.2 the principal purpose of the change is to reflect changes in the Authority's business requirements and/or priorities or to reflect changing industry standards; and
 - 7.8.3 there is no change to the Service Credit Cap.

8 Services Improvement

- 8.1 The Supplier shall have an ongoing obligation throughout the Term to identify new or potential improvements to the Services in accordance with this Clause 8. As part of this obligation the Supplier shall identify and report to the Annual Review Board once every 12 months on:
- 8.1.1 the emergence of new and evolving relevant technologies which could improve the IT Environment and/or the Services, and those technological advances potentially available to the Supplier and the Authority which the Parties may wish to adopt;
 - 8.1.2 new or potential improvements to the Services including the quality, responsiveness, procedures, benchmarking methods, likely performance mechanisms and customer support services in relation to the Services;
 - 8.1.3 new or potential improvements to the interfaces or integration of the Services with other services provided by third parties or the Authority which might result in efficiency or productivity gains or reduction of operational risk;

- 8.1.4 changes in business processes and ways of working that would enable the Services to be delivered at lower cost and/or with greater benefits to the Authority; and/or
- 8.1.5 changes to the IT Environment, business processes and ways of working that would enable reductions in the total energy consumed in the delivery of Services.
- 8.2 The Supplier shall ensure that the information that it provides to the Authority shall be sufficient for the Authority to decide whether any improvement should be implemented. The Supplier shall provide any further information that the Authority requests.
- 8.3 If the Authority wishes to incorporate any improvement identified by the Supplier, the Authority shall send the Supplier a Change Request in accordance with the Change Control Procedure.
- 8.4 The Supplier shall implement service improvement initiatives proposed by the Authority which arise due to any government procedural change. Such service improvement initiatives shall be dealt with by the Parties through Contract Change Procedure set out in Schedule 22 (Change Control Procedure).

9 Equipment and Maintenance

Supplier Equipment

- 9.1 The Supplier shall be solely responsible for the cost of carriage of Supplier Equipment to the Sites and to the Authority Premises, including its off-loading, removal of all packaging and all other associated costs. Likewise on termination or expiry of this Contract the Supplier shall be responsible for the removal and safe disposal of all relevant Supplier Equipment from the Sites and the Authority Premises, including the cost of packing, carriage and making good the Sites and/or the Authority Premises following removal, and taking account of any sustainability requirements, including safe removal of data and recycling requirements.
- 9.2 All the Supplier's property, including Supplier Equipment, shall remain at the sole risk and responsibility of the Supplier, except that the Authority shall be liable for loss of or damage to any of the Supplier's property located on Authority Premises which is due to the negligent act or omission of the Authority.
- 9.3 Subject to any express provision of the Service Continuity Plan to the contrary, the loss or destruction for any reason of any Supplier Equipment shall not relieve the Supplier of its obligation to supply the Services in accordance with this Contract, including the Target Performance Levels.

Maintenance

- 9.4 The Supplier shall create and maintain a rolling schedule of planned maintenance to the IT Environment (the "**Maintenance Schedule**") which shall be agreed with the Authority. Once the Maintenance Schedule has been agreed with the Authority Representative, the Supplier shall only undertake such planned maintenance (which shall be known as "**Permitted Maintenance**") in accordance with the Maintenance Schedule.
- 9.5 The Supplier shall give as much notice as is reasonably practicable to the Authority Representative prior to carrying out any Emergency Maintenance.

- 9.6 The Supplier shall carry out any necessary maintenance (whether Permitted Maintenance or Emergency Maintenance) where it reasonably suspects that the IT Environment or the Services or any part thereof has or may have developed a fault. Any such maintenance shall be carried out in such a manner and at such times so as to avoid (or where this is not possible so as to minimise) disruption to the IT Environment and the Services.

Supply of Goods

- 9.7 Where, as part of the Services, the Supplier is to sell goods or equipment ("**Goods**") to the Authority:
- 9.7.1 the relevant Goods and their prices shall be as set out in paragraph 6.11 of Schedule 2: Services Description (Schedule 2: Services Description) and consumables listed in section 4.1b of Table 2 : Volume Charges in Annex 1: Pricing Mechanism: Mechanism of Schedule 15: Charges and Invoicing (Schedule 15: Charges and Invoicing);
 - 9.7.2 the Supplier shall supply and, where relevant, install the Goods in accordance with the relevant specification;
 - 9.7.3 the Supplier shall ensure that the Goods are free from material defects in design, materials and workmanship and remain so for 12 months after delivery;
 - 9.7.4 if following inspection or testing the Authority considers that the Goods do not conform with the relevant specification, the Authority shall inform the Supplier and the Supplier shall immediately take such remedial action as is necessary to ensure compliance;
 - 9.7.5 without prejudice to any other rights or remedies of the Authority:
 - (a) risk in the Goods shall pass to the Authority at the time of delivery; and
 - (b) ownership of the Goods shall pass to the Authority at the time of payment;

Transferring Authority Equipment

- 9.8 The Authority, as beneficial owner, shall sell, and the Supplier shall agree to purchase and accept the Transferring Equipment and risk and title to the Transferring Equipment shall pass on 10th November 2025 ("Equipment Transfer Date"). The Authority reserves the sole right to remove and/or add equipment to the Transferring Equipment and any such change shall be agreed in accordance with the Change Control Procedure. The Supplier shall be wholly responsible for the packaging, haulage and carriage of the Transferring Equipment from the Former Supplier(s)' premises to the Supplier's premises at the Supplier's sole cost.
- 9.9 To the extent which the Authority is legally permitted to do so, the Authority hereby assigns all the Authority's rights against manufacturers, suppliers and third parties in respect of the Transferring Equipment to the Supplier. The Authority shall, at the Supplier's request and expense, give to the Supplier reasonable assistance to enable the Supplier to enforce such rights.
- 9.10 In consideration of the Supplier agreeing to accept the title to, and risk in the Transferring Equipment on the Equipment Transfer Date, the Supplier hereby agrees to pay the

Authority the sum of two hundred and five thousand pound sterling (£205,000) on the Equipment Transfer Date or such other date as agreed by the Parties.

- 9.11 The Supplier acknowledges that it has had the opportunity of inspecting the Transferring Equipment to satisfy itself as to the condition of the same and its suitability and sufficiency to perform the Services. As such, the Authority sells the Transferring Equipment, "as is" and hereby excludes in relation to such Transferring Equipment all representations (unless fraudulent), warranties and conditions and other contractual terms howsoever arising (whether by statute, common law or otherwise) to the maximum extent permitted by Law.

Section C: Payment, Taxation and Value for Money Provisions

10 Financial and Taxation Matters

Charges and Invoicing

- 10.1 In consideration of the Supplier carrying out its obligations under this Contract, including the provision of the Services, the Authority shall pay the Charges to the Supplier in accordance with the pricing and payment profile and the invoicing procedure specified in Schedule 15 (*Charges and Invoicing*).
- 10.2 Except as otherwise provided, each Party shall each bear its own costs and expenses incurred in respect of compliance with its obligations under Clauses 6.7 (*Testing and Achievement of Milestones*), 12 (*Records, Reports, Audits and Open Book Data*), 20 (*Transparency and Freedom of Information*), 21 (*Protection of Personal Data*) and, to the extent specified therein, Clause 27 (*Remedial Adviser*) and Clause 28 (*Step-In Rights*).
- 10.3 If the Authority fails to pay any undisputed Charges properly invoiced under this Contract, the Supplier shall have the right to charge interest on the overdue amount at the applicable rate under the Late Payment of Commercial Debts (Interest) Act 1998, accruing on a daily basis from the due date up to the date of actual payment, whether before or after judgment.

VAT

- 10.4 The Charges are stated exclusive of VAT, which shall be added at the prevailing rate as applicable and paid by the Authority following delivery of a valid VAT invoice.
- 10.5 The Supplier shall indemnify the Authority on a continuing basis against any liability, including any interest, penalties or costs incurred, that is levied, demanded or assessed on the Authority at any time in respect of the Supplier's failure to account for or to pay any VAT relating to payments made to the Supplier under this Contract. Any amounts due under this Clause 10.5 shall be paid in cleared funds by the Supplier to the Authority not less than five Working Days before the date upon which the tax or other liability is payable by the Authority.
- 10.6 Without prejudice to Clause 10.5, for the avoidance of doubt, it shall at all times remain the sole responsibility of the Supplier to:
- 10.6.1 assess the VAT rate(s) and tax liability arising out of or in connection with this Contract; and
 - 10.6.2 account for or pay any VAT (and any other tax liability) relating to payments made to the Supplier under this Contract to HM Revenue & Customs ("HMRC").

Set-off and Withholding

- 10.7 The Authority may set off any amount owed by the Supplier to the Crown or any part of the Crown (including the Authority) against any amount due to the Supplier under this Contract or under any other agreement between the Supplier and the Authority.

10.8 If the Authority wishes to:

10.8.1 set off any amount owed by the Supplier to the Crown or any part of the Crown (including the Authority) against any amount due to the Supplier pursuant to Clause 10.7; or

10.8.2 exercise its right pursuant to Clause 7.2.4(b) (*Performance Failures*) to withhold payment of a proportion of the Service Charges,

it shall give notice to the Supplier within thirty (30) days of receipt of the relevant invoice, setting out the Authority's reasons for withholding or retaining the relevant Charges.

Benchmarking

10.9 The Parties shall comply with the provisions of Schedule 17 (*Benchmarking*) in relation to the benchmarking of any or all of the Services.

Financial Distress

10.10 The Parties shall comply with the provisions of Schedule 18 (*Financial Distress*) in relation to the assessment of the financial standing of the Supplier and other specified entities and the consequences of a change to that financial standing.

Promoting Tax Compliance

10.11 If, at any point during the Term, an Occasion of Tax Non-Compliance occurs, the Supplier shall:

10.11.1 notify the Authority in writing of such fact within 5 Working Days of its occurrence; and

10.11.2 promptly provide to the Authority:

(a) details of the steps which the Supplier is taking to address the Occasion of Tax Non-Compliance and to prevent the same from recurring, together with any mitigating factors that it considers relevant; and

(b) such other information in relation to the Occasion of Tax Non-Compliance as the Authority may reasonably require.

Section D: Contract Governance

11 Governance

- 11.1 The Parties shall comply with the provisions of Schedule 21 (*Governance*) in relation to the management and governance of this Contract.

Representatives

- 11.2 Each Party shall have a representative for the duration of this Contract who shall have the authority to act on behalf of their respective Party on the matters set out in, or in connection with, this Contract.
- 11.3 The initial Supplier Representative shall be the person named as such in Schedule 29 (*Key Personnel*). Any change to the Supplier Representative shall be agreed in accordance with Clause 14 (*Supplier Personnel*).
- 11.4 The Authority shall notify the Supplier of the identity of the initial Authority Representative within 5 Working Days of the Effective Date. The Authority may, by written notice to the Supplier, revoke or amend the authority of the Authority Representative or appoint a new Authority Representative.

12 Records, Reports, Audits & Open Book Data

- 12.1 The Supplier shall comply with the provisions of:
- 12.1.1 Schedule 24 (*Reports and Records Provisions*) in relation to the maintenance and retention of Reporting Records; and
 - 12.1.2 Part A of Schedule 19 (*Financial Reports and Audit Rights*) in relation to the maintenance of Open Book Data.
- 12.2 The Parties shall comply with the provisions of:
- 12.2.1 Part B of Schedule 19 (*Financial Reports and Audit Rights*) in relation to the provision of the Financial Reports; and
 - 12.2.2 Part C of Schedule 19 (*Financial Reports and Audit Rights*) in relation to the exercise of the Audit Rights by the Authority or any Audit Agents.

13 Change

Change Control Procedure

- 13.1 Any requirement for a Change shall be subject to the Change Control Procedure.

Change in Law

- 13.2 The Supplier shall neither be relieved of its obligations to supply the Services in accordance with the terms and conditions of this Contract nor be entitled to an increase in the Charges as the result of:
- 13.2.1 a General Change in Law; or

- 13.2.2 a Specific Change in Law where the effect of that Specific Change in Law on the Services is reasonably foreseeable at the Effective Date; or
- 13.2.3 a change in guidance and/or best practice as set out by the Information Commissioner's Office.
- 13.3 If a Specific Change in Law occurs or will occur during the Term (other than as referred to in Clause 13.2.2), the Supplier shall:
 - 13.3.1 notify the Authority as soon as reasonably practicable of the likely effects of that change, including:
 - (a) whether any Change is required to the Services, the Charges or this Contract; and
 - (b) whether any relief from compliance with the Supplier's obligations is required, including any obligation to Achieve a Milestone and/or to meet the Target Performance Levels; and
 - 13.3.2 provide the Authority with evidence:
 - (a) that the Supplier has minimised any increase in costs or maximised any reduction in costs, including in respect of the costs of its Sub-contractors;
 - (b) as to how the Specific Change in Law has affected the cost of providing the Services; and
 - (c) demonstrating that any expenditure that has been avoided, for example which would have been required under the provisions of Clause 8 (*Services Improvement*), has been taken into account in amending the Charges.
- 13.4 Any variation in the Charges or relief from the Supplier's obligations resulting from a Specific Change in Law (other than as referred to in Clause 13.2.2) shall be implemented in accordance with the Change Control Procedure.
- 13.5 The Parties agree that any change in guidance set out by the Information Commissioner's Office which alters the roles of the Parties in respect of their Controller and Processor relationship shall not require a Change and the Parties shall abide by the terms as set out in Clause 21 (Protection of Personal Data) in respect of their new roles.

Section E: Supplier Personnel and Supply Chain

14 Supplier Personnel

14.1 The Supplier shall:

- 14.1.1 Provide in advance of any admission to Authority Premises a list of the names of all Supplier Personnel requiring such admission, specifying the capacity in which they require admission and giving such other particulars as the Authority may reasonably require;
- 14.1.2 ensure that all Supplier Personnel:
 - (a) are appropriately qualified, trained and experienced to provide the Services with all reasonable skill, care and diligence;
 - (b) are vetted in accordance with Good Industry Practice and, where applicable, the security requirements set out in Schedule 2 (*Services Description*) and Schedule 5 (*Security Management*);
 - (c) comply with all reasonable requirements of the Authority concerning conduct at the Authority Premises, including the security requirements as set out in Schedule 5 (*Security Management*); and
 - (d) are provided with training on a continuing basis in compliance with the Security Policies and Security Standards set out in Annex A and Annex B of Schedule 5 (*Security Management*)
- 14.1.3 subject to Schedule 28 (*Staff Transfer*), retain overall control of the Supplier Personnel at all times so that the Supplier Personnel shall not be deemed to be employees, agents or contractors of the Authority;
- 14.1.4 be liable at all times for all acts or omissions of Supplier Personnel, so that any act or omission of a member of any Supplier Personnel which results in a Default under this Contract shall be a Default by the Supplier;
- 14.1.5 use all reasonable endeavours to minimise the number of changes in Supplier Personnel;
- 14.1.6 replace (temporarily or permanently, as appropriate) any Supplier Personnel as soon as practicable if any Supplier Personnel have been removed or are unavailable for any reason whatsoever;
- 14.1.7 bear the programme familiarisation and other costs associated with any replacement of any Supplier Personnel; and
- 14.1.8 use all reasonable endeavours to ensure that the Supplier Personnel who are not UK nationals are legally entitled to reside in the United Kingdom and have a work permit, where applicable. The Supplier shall promptly take all reasonable steps to ensure compliance with this Clause.

- 14.2 If the Authority reasonably believes that any of the Supplier Personnel are unsuitable to undertake work in respect of this Contract, it may:
- 14.2.1 refuse admission to the relevant person(s) to the Authority Premises; and/or
 - 14.2.2 direct the Supplier to end the involvement in the provision of the Services of the relevant person(s).

Key Personnel

- 14.3 The Supplier shall ensure that the Key Personnel fulfil the Key Roles at all times during the Term. Schedule 29 (*Key Personnel*) lists the Key Roles and names of the persons who the Supplier shall appoint to fill those Key Roles at the Operational Service Commencement.
- 14.4 The Authority may identify any further roles as being Key Roles and, following agreement to the same by the Supplier, the relevant person selected to fill those Key Roles shall be included on the list of Key Personnel.
- 14.5 The Supplier shall not remove or replace any Key Personnel (including when carrying out Exit Management) unless:
- 14.5.1 requested to do so by the Authority;
 - 14.5.2 the person concerned resigns, retires or dies or is on maternity leave, paternity leave or shared parental leave or long-term sick leave;
 - 14.5.3 the person's employment or contractual arrangement with the Supplier or a Sub-contractor is terminated for material breach of contract by the employee; or
 - 14.5.4 the Supplier obtains the Authority's prior written consent (such consent not to be unreasonably withheld or delayed).
- 14.6 The Supplier shall:
- 14.6.1 notify the Authority promptly of the absence of any Key Personnel (other than for short-term sickness or holidays of 2 weeks or less, in which case the Supplier shall ensure appropriate temporary cover for that Key Role);
 - 14.6.2 ensure that any Key Role is not vacant for any longer than 10 Working Days;
 - 14.6.3 give as much notice as is reasonably practicable of its intention to remove or replace any member of Key Personnel and, except in the cases of death, unexpected ill health or a material breach of the Key Personnel's employment contract, this will mean at least 60 Working Days' notice;
 - 14.6.4 ensure that all arrangements for planned changes in Key Personnel provide adequate periods during which incoming and outgoing personnel work together to transfer responsibilities and ensure that such change does not have an adverse impact on the performance of the Services; and
 - 14.6.5 ensure that any replacement for a Key Role:
 - (a) has a level of qualifications and experience appropriate to the relevant Key Role; and

- (b) is fully competent to carry out the tasks assigned to the Key Personnel whom they have replaced.

Employment Indemnity

14.7 The Parties agree that:

- 14.7.1 the Supplier shall both during and after the Term indemnify the Authority against all Employee Liabilities that may arise as a result of any claims brought against the Authority by any person where such claim arises from any act or omission of the Supplier or any Supplier Personnel; and
- 14.7.2 the Authority shall both during and after the Term indemnify the Supplier against all Employee Liabilities that may arise as a result of any claims brought against the Supplier by any person where such claim arises from any act or omission of the Authority or any of the Authority's employees, agents, consultants and contractors.

Income Tax and National Insurance Contributions

14.8 Where the Supplier or any Supplier Personnel are liable to be taxed in the UK or to pay national insurance contributions in respect of consideration received under this Contract, the Supplier shall:

- 14.8.1 at all times comply with the Income Tax (Earnings and Pensions) Act 2003 and all other statutes and regulations relating to income tax, and the Social Security Contributions and Benefits Act 1992 and all other statutes and regulations relating to national insurance contributions, in respect of that consideration; and
- 14.8.2 indemnify the Authority against any income tax, national insurance and social security contributions and any other liability, deduction, contribution, assessment or claim arising from or made in connection with the provision of the Services by the Supplier or any Supplier Personnel.

Staff Transfer

14.9 The Parties agree that:

- 14.9.1 where the commencement of the provision of the Services or any part of the Services results in one or more Relevant Transfers, Schedule 28 (*Staff Transfer*) shall apply as follows:
 - (a) where the Relevant Transfer involves the transfer of Transferring Authority Employees, Part A and Part D of Schedule 28 (*Staff Transfer*) shall apply;
 - (b) where the Relevant Transfer involves the transfer of Transferring Former Supplier Employees, Part B and Part D of Schedule 28 (*Staff Transfer*) shall apply;
 - (c) where the Relevant Transfer involves the transfer of Transferring Authority Employees and Transferring Former Supplier Employees, Parts A, B and D of Schedule 28 (*Staff Transfer*) shall apply; and

- (d) Part C of Schedule 28 (*Staff Transfer*) shall not apply;
- 14.9.2 where commencement of the provision of the Services or a part of the Services does not result in a Relevant Transfer, Part C of Schedule 28 (*Staff Transfer*) shall apply, Part D of Schedule 28 may apply, and Parts A and B of Schedule 28 (*Staff Transfer*) shall not apply; and
- 14.9.3 Part E of Schedule 28 (*Staff Transfer*) shall apply on the expiry or termination of the Services or any part of the Services.

Industrial Action

- 14.10 The Supplier shall immediately inform the Authority of any actual or potential industrial action, whether such action is by their own employees or others, which affects or might affect its ability at any time to perform its obligations under the Contract.

15 Supply Chain Rights and Protections

Advertising Sub-contract Opportunities

- 15.1 The Supplier shall:
- 15.1.1 subject to Clauses 15.3 and 15.4, advertise on Contracts Finder all Sub-contract opportunities arising from or in connection with the provision of the Goods and/or Services and/or Works above a minimum threshold of £25,000 that arise during the Term;
 - 15.1.2 within ninety (90) days of awarding a Sub-contract to a Sub-contractor, update the notice on Contracts Finder with details of the successful Sub-contractor;
 - 15.1.3 monitor the number, type and value of the Sub-contract opportunities placed on Contracts Finder advertised and awarded in its supply chain during the Term;
 - 15.1.4 provide reports on the information at Clause 15.1.3 to the Authority in the format and frequency as reasonably specified by the Authority; and
 - 15.1.5 promote Contracts Finder to its suppliers and encourage those organisations to register on Contracts Finder.
- 15.2 Each advert referred to in Clause 15.1 above shall provide a full and detailed description of the Sub-contract opportunity with each of the mandatory fields being completed on Contracts Finder by the Supplier.
- 15.3 The obligation at Clause 15.1 shall only apply in respect of Sub-contract opportunities arising after the Effective Date.
- 15.4 Notwithstanding Clause 15.1 the Authority may, by giving its prior written approval, agree that a Sub-contract opportunity is not required to be advertised on Contracts Finder.

Appointment of Sub-contractors

- 15.5 The Supplier shall exercise due skill and care in the selection and appointment of any Sub-contractors to ensure that the Supplier is able to:
- 15.5.1 manage any Sub-contractors in accordance with Good Industry Practice;

- 15.5.2 comply with its obligations under this Contract in the delivery of the Services; and
 - 15.5.3 assign, novate or otherwise transfer to the Authority or any Replacement Supplier any of its rights and/or obligations under each Sub-contract that relates exclusively to this Contract.
- 15.6 Prior to sub-contracting any of its obligations under this Contract, the Supplier shall notify the Authority in writing of:
- 15.6.1 the proposed Sub-contractor's name, registered office and company registration number;
 - 15.6.2 the scope of any Services to be provided by the proposed Sub-contractor; and
 - 15.6.3 where the proposed Sub-contractor is an Affiliate of the Supplier, evidence that demonstrates to the reasonable satisfaction of the Authority that the proposed Sub-contract has been agreed on "arm's-length" terms.
- 15.7 If requested by the Authority within 10 Working Days of receipt of the Supplier's notice issued pursuant to Clause 15.6, the Supplier shall also provide:
- 15.7.1 a copy of the proposed Sub-contract; and
 - 15.7.2 any further information reasonably requested by the Authority.
- 15.8 The Authority may, within 10 Working Days of receipt of the Supplier's notice issued pursuant to Clause 15.6 (or, if later, receipt of any further information requested pursuant to Clause 15.7), object to the appointment of the relevant Sub-contractor if it considers that:
- 15.8.1 the appointment of a proposed Sub-contractor may prejudice the provision of the Services and/or may be contrary to the interests of the Authority;
 - 15.8.2 the proposed Sub-contractor is unreliable and/or has not provided reasonable services to its other customers;
 - 15.8.3 the proposed Sub-contractor employs unfit persons; and/or
 - 15.8.4 the proposed Sub-contractor should be excluded in accordance with Clause 15.22 (*Termination of sub-contracts*);
- in which case, the Supplier shall not proceed with the proposed appointment.
- 15.9 If:
- 15.9.1 the Authority has not notified the Supplier that it objects to the proposed Sub-contractor's appointment by the later of 10 Working Days of receipt of:
 - (a) the Supplier's notice issued pursuant to Clause 15.6; and
 - (b) any further information requested by the Authority pursuant to Clause 15.7; and

- 15.9.2 the proposed Sub-contract is not a Key Sub-contract (which shall require the written consent of the Authority in accordance with Clause 15.10 (*Appointment of Key Sub-contractors*),

the Supplier may proceed with the proposed appointment and, where the Sub-contract is entered into exclusively for the purpose of delivery of the Services, may notify the Authority that the relevant Sub-contract shall constitute a Third Party Contract for the purposes of Schedule 11 (*Third Party Contracts*).

Appointment of Key Sub-contractors

- 15.10 Where the Supplier wishes to enter into a Key Sub-contract or replace a Key Sub-contractor, it must obtain the prior written consent of the Authority, such consent not to be unreasonably withheld or delayed. For these purposes, the Authority may withhold its consent to the appointment of a Key Sub-contractor if it reasonably considers that:
- 15.10.1 the appointment of a proposed Key Sub-contractor may prejudice the provision of the Services or may be contrary to the interests of the Authority;
 - 15.10.2 the proposed Key Sub-contractor is unreliable and/or has not provided reasonable services to its other customers; and/or
 - 15.10.3 the proposed Key Sub-contractor employs unfit persons; and/or
 - 15.10.4 the proposed Key Sub-contractor should be excluded in accordance with Clause 15.22 (*Termination of sub-contracts*).
- 15.11 The Authority consents to the appointment of the Key Sub-contractors listed in Schedule 10 (*Notified Key Sub-contractors*).
- 15.12 Except where the Authority has given its prior written consent, the Supplier shall ensure that each Key Sub-contract shall include:
- 15.12.1 provisions which will enable the Supplier to discharge its obligations under this Contract;
 - 15.12.2 a right under CRTPA for the Authority to enforce any provisions under the Key Sub-contract which are capable of conferring a benefit upon the Authority;
 - 15.12.3 a provision enabling the Authority to enforce the Key Sub-contract as if it were the Supplier;
 - 15.12.4 a provision enabling the Supplier to assign, novate or otherwise transfer any of its rights and/or obligations under the Key Sub-contract to the Authority or any Replacement Supplier without restriction (including any need to obtain any consent or approval) or payment by the Authority;
 - 15.12.5 obligations no less onerous on the Key Sub-contractor than those imposed on the Supplier under this Contract in respect of:
 - (a) data protection requirements set out in Clauses 18 (*Authority Data and Security Requirements*) and 21 (*Protection of Personal Data*);
 - (b) FOIA requirements set out in Clause 20 (*Transparency and Freedom of Information*);

- (c) the obligation not to embarrass the Authority or otherwise bring the Authority into disrepute set out in Clause 5.5.13 (*Services*);
 - (d) the keeping of records in respect of the services being provided under the Key Sub-contract, including the maintenance of Open Book Data; and
 - (e) the conduct of Audits set out in Part C of Schedule 19 (*Financial Reports and Audit Rights*);
- 15.12.6 provisions enabling the Supplier to terminate the Key Sub-contract on notice on terms no more onerous on the Supplier than those imposed on the Authority under Clauses 31.1.1 (*Termination by the Authority*) and 32.5 (*Payments by the Authority*) and Schedule 16 (*Payments on Termination*) of this Contract;
- 15.12.7 a provision restricting the ability of the Key Sub-contractor to sub-contract all or any part of the services provided to the Supplier under the Key Sub-contract without first seeking the written consent of the Authority;
- 15.12.8 a provision enabling the Supplier or the Authority to appoint a Remedial Adviser on substantially the same terms as are set out in Clause 27 (*Remedial Adviser*);
- 15.12.9 a provision enabling the Supplier, the Authority or any other person on behalf of the Authority to step-in on substantially the same terms as are set out in Clause 28 (*Step-in Rights*);
- 15.12.10 a provision requiring the Key Sub-contractor to participate in, and if required by the Authority in the relevant Multi-Party Procedure Initiation Notice to procure the participation of all or any of its Sub-contractors in, the Multi-Party Dispute Resolution Procedure; and
- 15.12.11 a provision requiring the Key Sub-contractor to:
 - (a) promptly notify the Supplier and the Authority in writing of any of the following of which it is, or ought to be, aware:
 - (i) the occurrence of a Financial Distress Event in relation to the Key Sub-contractor; or
 - (ii) any fact, circumstance or matter of which it is aware which could cause the occurrence of a Financial Distress Event in relation to the Key Sub-contractor,and in any event, provide such notification within 10 Working Days of the date on which the Key Sub-contractor first becomes aware of such); and
 - (b) co-operate with the Supplier and the Authority in order to give full effect to the provisions of Schedule 18 (*Financial Distress*), including meeting with the Supplier and the Authority to discuss and review the effect of the Financial Distress Event on the continued performance and delivery of the Services, and contributing to and complying with the Financial Distress Remediation Plan, and providing the information specified at Paragraph 4.3(b)(ii) of Schedule 18 (*Financial Distress*).

15.13 The Supplier shall not terminate or materially amend the terms of any Key Sub-contract without the Authority's prior written consent, which shall not be unreasonably withheld or delayed.

Supply chain protection

15.14 For Sub-contracts in the Supplier's supply chain made wholly or substantially for the purpose of performing or contributing to the performance of the whole or any part of this Contract:

15.14.1 where such Sub-Contracts are entered into after the Effective Date, the Supplier will ensure that they all contain provisions that; or

15.14.2 where such Sub-Contracts are entered into before the Effective Date, the Supplier will take all reasonable endeavours to ensure that they all contain provisions that:

- (a) give the Supplier a right to terminate the Sub-contract if the Sub-contractor fails to comply in the performance of the Sub-contract with legal obligations in the fields of environmental, social or labour Law;
- (b) require the Supplier or other party receiving goods or services under the contract to consider and verify invoices under that contract in a timely fashion;
- (c) if the Supplier or other party fails to consider and verify an invoice in accordance with Clause 15.14.2(b), the invoice shall be regarded as valid and undisputed for the purpose of Clause 15.14.2(d) after a reasonable time has passed;
- (d) require the Supplier or other party to pay any undisputed sums which are due from it to the Sub-contractor within a specified period not exceeding thirty (30) days of verifying that the invoice is valid and undisputed;
- (e) give the Authority a right to publish the Supplier's compliance with its obligation to pay undisputed invoices within the specified payment period; and
- (f) require the Sub-contractor to include a clause to the same effect as this Clause 5.14 in any contracts it enters into wholly or substantially for the purpose of performing or contributing to the performance of the whole or any part of this Contract.

15.15 The Supplier shall:

15.15.1 pay any undisputed sums which are due from it to a Sub-contractor within thirty (30) days of verifying that the invoice is valid and undisputed;

15.15.2 include within the Balanced Scorecard Report produced by it pursuant to Schedule 3 (*Performance Levels*) a summary of its compliance with Clause 15.15.1, such data to be certified each Quarter by a director of the Supplier as being accurate and not misleading.

15.16 Without prejudice to Clause 15.15.1, the Supplier shall:

- 15.16.1 pay any sums which are due from it to any Sub-contractor or Unconnected Sub-contractor pursuant to any invoice (or other notice of an amount for payment) on the earlier of:
 - (a) the date set out for payment in the relevant Sub-contract or Unconnected Sub-contract; or
 - (b) the date that falls sixty (60) days after the day on which the Supplier receives an invoice (or otherwise has notice of an amount for payment); and
- 15.16.2 include within the Balanced Scorecard Report produced by it pursuant to Schedule 3 (*Performance Levels*) a summary of its compliance with Clause 15.16.1, such data to be certified every six months by a director of the Supplier as being accurate and not misleading.

15.17 If any Balanced Scorecard Report shows that in either of the last two six month periods the Supplier failed to pay 95% or above of all Sub-contractor or Unconnected Sub-contractor invoices (or other notice of an amount for payment) within sixty (60) days of receipt, the Supplier shall upload to the Virtual Library within 15 Working Days of submission of the latest Balanced Scorecard Report an action plan (the “**Action Plan**”) for improvement. The Action Plan shall include, but not be limited to, the following:

- 15.17.1 identification of the primary causes of failure to pay 95% or above of all Sub-contractor or Unconnected Sub-contractor invoices (or other notice of an amount for payment) within sixty (60) days of receipt;
- 15.17.2 actions to address each of the causes set out in Clause 15.17.1; and
- 15.17.3 mechanism for and commitment to regular reporting on progress to the Supplier’s Board.

15.18 The Action Plan shall be certificated by a director of the Supplier and the Action Plan, or a summary of the Action Plan published on the Supplier’s website within 10 Working Days of the date on which the Action Plan is uploaded to the Virtual Library.

15.19 Where the Supplier fails to pay any sums due to any Sub-contractor or Unconnected Sub-contractor in accordance with the terms set out in the relevant Sub-contract or Unconnected Sub-contract, the Action Plan shall include details of the steps the Supplier will take to address this.

15.20 The Supplier shall comply with the Action Plan or any similar action plan connected to the payment of Sub-contractors or Unconnected Sub-contractors which is required to be submitted to the Authority as part of the procurement process and such action plan shall be included as part of the Supplier’s Solution (to the extent it is not already included).

15.21 Notwithstanding any provision of Clauses 19 (*Confidentiality*) and 22 (*Publicity and Branding*), if the Supplier notifies the Authority (whether in a Balanced Scorecard Report or otherwise) that the Supplier has failed to pay a Sub-contractor’s undisputed invoice within thirty (30) days of receipt or that it has failed to pay 95% or above of its Sub-Contractors or Unconnected Sub-contractors within sixty (60) days after the day on which the Supplier receives an invoice or otherwise has notice of an amount for payment, or the

Authority otherwise discovers the same, the Authority shall be entitled to publish the details of the late or non-payment (including on government websites and in the press).

Termination of Sub-contracts

15.22 The Authority may require the Supplier to terminate:

15.22.1 a Sub-contract where:

- (a) the acts or omissions of the relevant Sub-contractor have caused or materially contributed to the Authority's right of termination pursuant to Clause 31.1.2 (*Termination by the Authority*);
- (b) the relevant Sub-contractor or any of its Affiliates have embarrassed the Authority or otherwise brought the Authority into disrepute by engaging in any act or omission which is reasonably likely to diminish the trust that the public places in the Authority, regardless of whether or not such act or omission is related to the Sub-contractor's obligations in relation to the Services or otherwise;
- (c) the relevant Sub-contractor has failed to comply in the performance of its Sub-contract with legal obligations in the fields of environmental, social or labour law; and/or
- (d) the Authority has found grounds for exclusion of the Sub-contractor in accordance with Clause 15.26; and

15.22.2 a Key Sub-contract where there is a change of Control of the relevant Key Sub-contractor, unless:

- (a) the Authority has given its prior written consent to the particular change of Control, which subsequently takes place as proposed; or
- (b) the Authority has not served its notice of objection within 6 months of the later of the date the change of Control took place or the date on which the Authority was given notice of the change of Control.

Competitive Terms

15.23 If the Authority is able to obtain from any Sub-contractor or any other third party (on a like-for-like basis) more favourable commercial terms with respect to the supply of any goods, software or services used by the Supplier or the Supplier Personnel in the supply of the Services, then the Authority may require the Supplier to replace its existing commercial terms with that person with the more favourable commercial terms obtained by the Authority in respect of the relevant item.

15.24 If the Authority exercises its option pursuant to Clause 15.23, then the Charges shall be reduced by an amount that is agreed in accordance with the Change Control Procedure.

Retention of Legal Obligations

15.25 Notwithstanding the Supplier's right to sub-contract pursuant to this Clause 15, the Supplier shall remain responsible for all acts and omissions of its Sub-contractors and the acts and omissions of those employed or engaged by the Sub-contractors as if they were

its own. In respect of any element of the Services delivered by Supplier Personnel and/or which are Sub-contracted by the Supplier, an obligation on the Supplier to do or to refrain from doing any act or thing under this Contract, shall include an obligation on the Supplier to procure that the Supplier Personnel and the Sub-contractor also do or refrain from doing such act or thing in their delivery of those elements of the Services.

Exclusion of Sub-contractors

15.26 Where the Authority considers whether there are grounds for the exclusion of a Sub-contractor under Regulation 57 of the Public Contracts Regulations 2015, then:

15.26.1 if the Authority finds there are compulsory grounds for exclusion, the Supplier shall replace or shall not appoint the Sub-contractor;

15.26.2 if the Authority finds there are non-compulsory grounds for exclusion, the Authority may require the Supplier to replace or not to appoint the Sub-contractor and the Supplier shall comply with such a requirement.

Reporting SME/VCSE Sub-contracts

15.27 In addition to any other Management Information requirements set out in this Contract, the Supplier agrees that it shall, at no charge, provide timely, full, accurate and complete Supply Chain Transparency Reports to the Authority thirty (30) days prior to the end of each financial year by providing all of the information described in the Supply Chain Transparency Information Template in the format set out in the Schedule 24 (*Reports and Records Provisions*) Annex 4 and in accordance with any guidance issued by the Authority from time to time.

15.28 The Authority may update the Supply Chain Transparency Information Template from time to time (including the data required and/or format) by issuing a replacement version with at least thirty (30) days' notice and specifying the date from which it must be used.

Section F: Intellectual Property, Data and Confidentiality

16 Intellectual Property Rights

- 16.1 The Parties agree that the terms set out in Schedule 32 (*Intellectual Property Rights*) shall apply to this Contract.

17 IPRs Indemnity

- 17.1 The Supplier shall at all times, during and after the Term, on written demand indemnify the Authority and each other Indemnified Person, and keep the Authority and each other Indemnified Person indemnified, against all Losses incurred by, awarded against or agreed to be paid by an Indemnified Person arising from an IPRs Claim.
- 17.2 If an IPRs Claim is made, or the Supplier anticipates that an IPRs Claim might be made, the Supplier may, at its own expense and sole option, either:
- 17.2.1 procure for the Authority or other relevant Indemnified Person the right to continue using the relevant item which is subject to the IPRs Claim; or
 - 17.2.2 replace or modify the relevant item with non-infringing substitutes provided that:
 - (a) the performance and functionality of the replaced or modified item is at least equivalent to the performance and functionality of the original item;
 - (b) the replaced or modified item does not have an adverse effect on any other services or the IT Environment;
 - (c) there is no additional cost to the Authority or relevant Indemnified Person (as the case may be); and
 - (d) the terms and conditions of this Contract shall apply to the replaced or modified Services.
- 17.3 If the Supplier elects to procure a licence in accordance with Clause 17.2.1 or to modify or replace an item pursuant to Clause 17.2.2, but this has not avoided or resolved the IPRs Claim, then:
- 17.3.1 the Authority may terminate this Contract (if subsisting in accordance with Clause 31.1) with immediate effect by written notice to the Supplier; and
 - 17.3.2 without prejudice to the indemnity set out in Clause 17.1, the Supplier shall be liable for all reasonable and unavoidable costs of the substitute items and/or services including the additional costs of procuring, implementing and maintaining the substitute items.

18 Authority Data and Security Requirements

- 18.1 The Supplier shall not delete or remove any proprietary notices contained within or relating to the Authority Data.
- 18.2 The Supplier shall not store, copy, disclose, or use the Authority Data except as necessary for the performance by the Supplier of its obligations under this Contract or as otherwise expressly authorised in writing by the Authority.

- 18.3 To the extent that Authority Data is held and/or processed by the Supplier, the Supplier shall supply that Authority Data to the Authority as requested by the Authority in the format specified in Schedule 2 (*Services Description*).
- 18.4 The Supplier shall preserve the integrity of Authority Data and prevent the corruption or loss of Authority Data at all times that the relevant Authority Data is under its control or the control of any Sub-contractor.
- 18.5 The Supplier shall perform secure back-ups of all Authority Data and shall ensure that up-to-date back-ups are stored off-site in accordance with the Service Continuity Plan. The Supplier shall ensure that such back-ups are available to the Authority (or to such other person as the Authority may direct) at all times upon request and are delivered to the Authority at no less than 6 monthly intervals (or such other intervals as may be agreed in writing between the Parties) via a secure encrypted method.
- 18.6 The Supplier shall ensure that any system on which the Supplier holds any Authority Data, including back-up data, is a secure system that complies with the Security Requirements.
- 18.7 If the Authority Data is corrupted, lost or sufficiently degraded as a result of the Supplier's Default so as to be unusable, the Authority may:
- 18.7.1 require the Supplier (at the Supplier's expense) to restore or procure the restoration of Authority Data to the extent and in accordance with the requirements specified in Schedule 26 (*Service Continuity Plan and Corporate Resolution Planning*) and the Supplier shall do so as soon as practicable but not later than 5 Working Days from the date of receipt of the Authority's notice; and/or
 - 18.7.2 itself restore or procure the restoration of Authority Data and shall be repaid by the Supplier any reasonable expenses incurred in doing so to the extent and in accordance with the requirements specified in Schedule 26 (*Service Continuity Plan and Corporate Resolution Planning*).
- 18.8 If at any time the Supplier suspects or has reason to believe that Authority Data has or may become corrupted, lost or sufficiently degraded in any way for any reason, then the Supplier shall notify the Authority immediately and inform the Authority of the remedial action the Supplier proposes to take.
- 18.9 The Supplier shall comply with the requirements of Schedule 5: Security Management (*Security Management*).
- 18.10 The Authority shall notify the Supplier of any changes or proposed changes to the Baseline Security Requirements.
- 18.11 If the Supplier believes that a change or proposed change to the Baseline Security Requirements will have a material and unavoidable cost implication to the Services it may submit a Change Request. In doing so, the Supplier must support its request by providing evidence of the cause of any increased costs and the steps that it has taken to mitigate those costs. Any change to the Charges shall then be agreed in accordance with the Change Control Procedure.

- 18.12 Until and/or unless a change to the Charges is agreed by the Authority pursuant to Clause 18.11 the Supplier shall continue to perform the Services in accordance with its existing obligations.
- 18.13 The Supplier shall, and shall procure that any Sub-Contractor (as applicable) shall, comply with the Authority's Security Requirements.
- 18.14 The Supplier shall ensure that the Supplier Personnel comply with the Authority's Security Requirements.
- 18.15 In the event the Supplier goes into Liquidation or the Contract is terminated by the Authority pursuant to the provisions of the Contract relating to termination following an Insolvency Event in accordance with Clause 31.1, the Supplier (or a liquidator or provisional liquidator acting on behalf of the Contractor) shall at its own cost and at no cost to the Authority:
- 18.15.1 conduct a full and thorough search for any electronic and paper records held by the Supplier which contain Authority Data/Information/Information relating to a customer or service user; in accordance with the Authority instructions; and
 - 18.15.2 return all such records as described in Clause 18.15.1 to the Authority in accordance with their instructions; and
 - 18.15.3 permanently destroy all copies of any relevant electronic records and paper records; and
 - 18.15.4 provide written confirmation to the Authority that the actions outlined above in this Clause have been completed.
- 18.16 In the event of a Sub-Contractor being in Liquidation, then it is the responsibility of the Supplier to recover records held by the Sub-Contractor and provide assurance to the Authority that they have been recovered.
- 18.17 In the event that the Supplier is put into administration, the Authority will work closely with the administrator to ensure the Supplier is able to maintain Authority Data and other records they have created and held in accordance with this Contract and maintain these standards in the safekeeping of Authority Data. All such records must be stored in accordance with Authority information assurance and HMG Cabinet Office information security standards.

19 Confidentiality

- 19.1 For the purposes of this Clause 19, the term "**Disclosing Party**" shall mean a Party which discloses or makes available directly or indirectly its Confidential Information and "**Recipient**" shall mean the Party which receives or obtains directly or indirectly Confidential Information.
- 19.2 Except to the extent set out in this Clause 19 or where disclosure is expressly permitted elsewhere in this Contract, the Recipient shall:
- 19.2.1 treat the Disclosing Party's Confidential Information as confidential and keep it in secure custody (which is appropriate depending upon the form in which such materials are stored and the nature of the Confidential Information contained in those materials);

- 19.2.2 not disclose the Disclosing Party's Confidential Information to any other person except as expressly set out in this Contract or without obtaining the owner's prior written consent;
 - 19.2.3 not use or exploit the Disclosing Party's Confidential Information in any way except for the purposes anticipated under this Contract; and
 - 19.2.4 immediately notify the Disclosing Party if it suspects or becomes aware of any unauthorised access, copying, use or disclosure in any form of any of the Disclosing Party's Confidential Information.
- 19.3 The Recipient shall be entitled to disclose the Confidential Information of the Disclosing Party where:
- 19.3.1 the Recipient is required to disclose the Confidential Information by Law, provided that Clause 20 (*Transparency and Freedom of Information*) shall apply to disclosures required under the FOIA or the EIRs;
 - 19.3.2 the need for such disclosure arises out of or in connection with:
 - (a) any legal challenge or potential legal challenge against the Authority arising out of or in connection with this Contract;
 - (b) the examination and certification of the Authority's accounts (provided that the disclosure is made on a confidential basis) or for any examination pursuant to section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority is making use of any Services provided under this Contract; or
 - (c) the conduct of a Crown Body review in respect of this Contract; or
 - 19.3.3 the Recipient has reasonable grounds to believe that the Disclosing Party is involved in activity that may constitute a criminal offence under the Bribery Act 2010 and the disclosure is being made to the Serious Fraud Office.
- 19.4 If the Recipient is required by Law to make a disclosure of Confidential Information, the Recipient shall as soon as reasonably practicable and to the extent permitted by Law notify the Disclosing Party of the full circumstances of the required disclosure including the relevant Law and/or regulatory body requiring such disclosure and the Confidential Information to which such disclosure would apply.
- 19.5 The Supplier may disclose the Confidential Information of the Authority on a confidential basis only to:
- 19.5.1 Supplier Personnel who are directly involved in the provision of the Services and need to know the Confidential Information to enable performance of the Supplier's obligations under this Contract;
 - 19.5.2 its auditors; and
 - 19.5.3 its professional advisers for the purposes of obtaining advice in relation to this Contract.

Where the Supplier discloses Confidential Information of the Authority pursuant to this Clause 19.5, it shall remain responsible at all times for compliance with the confidentiality obligations set out in this Contract by the persons to whom disclosure has been made.

19.6 The Authority may disclose the Confidential Information of the Supplier:

- 19.6.1 on a confidential basis to any Crown Body for any proper purpose of the Authority or of the relevant Crown Body. Any Crown Body receiving such Confidential Information shall be entitled to further disclose the Confidential Information to other Crown Bodies on the basis that the information is confidential and is not to be disclosed to a third party which is not a Crown Body;
- 19.6.2 to Parliament and Parliamentary Committees or if required by any Parliamentary reporting requirement;
- 19.6.3 to the extent that the Authority (acting reasonably) deems disclosure necessary or appropriate in the course of carrying out its public functions;
- 19.6.4 on a confidential basis to a professional adviser, consultant, supplier or other person engaged by any of the entities described in Clause 19.6.1 (including any benchmarking organisation) for any purpose relating to or connected with this Contract;
- 19.6.5 on a confidential basis for the purpose of the exercise of its rights under this Contract, including the Audit Rights, its step-in rights pursuant to Clause 28 (*Step-In Rights*), its rights to appoint a Remedial Adviser pursuant to Clause 27 (*Remedial Adviser*) and Exit Management rights; or
- 19.6.6 on a confidential basis to a proposed Successor Body in connection with any assignment, novation or disposal of any of its rights, obligations or liabilities under this Contract,

and for the purposes of the foregoing, references to disclosure on a confidential basis shall mean disclosure subject to a confidentiality agreement or arrangement containing terms no less stringent than those placed on the Authority under this Clause 19.

19.7 Nothing in this Clause 19 shall prevent a Recipient from using any techniques, ideas or know-how gained during the performance of this Contract in the course of its normal business to the extent that this use does not result in a disclosure of the Disclosing Party's Confidential Information or an infringement of Intellectual Property Rights.

20 Transparency and Freedom of Information

20.1 The Parties acknowledge that:

- 20.1.1 the Transparency Reports;
- 20.1.2 the content of this Contract, including any changes to this Contract agreed from time to time, except for –
 - (a) any information which is exempt from disclosure in accordance with the provisions of the FOIA, which shall be determined by the Authority; and
 - (b) Commercially Sensitive Information; and

20.1.3 the Publishable Performance Information

(together the “**Transparency Information**”) are not Confidential Information.

- 20.2 Notwithstanding any other provision of this Contract, the Supplier hereby gives its consent for the Authority to publish to the general public the Transparency Information in its entirety (but with any information which is exempt from disclosure in accordance with the provisions of the FOIA redacted). The Authority shall, prior to publication, consult with the Supplier on the manner and format of publication and to inform its decision regarding any redactions but shall have the final decision in its absolute discretion.
- 20.3 The Supplier shall assist and co-operate with the Authority to enable the Authority to publish the Transparency Information, including the preparation of the Transparency Reports in accordance with Paragraph 1 of Schedule 24 (*Reports and Records Provisions*).
- 20.4 If the Authority believes that publication of any element of the Transparency Information would be contrary to the public interest, the Authority shall be entitled to exclude such information from publication. The Authority acknowledges that it would expect the public interest by default to be best served by publication of the Transparency Information in its entirety. Accordingly, the Authority acknowledges that it will only exclude Transparency Information from publication in exceptional circumstances and agrees that where it decides to exclude information from publication it will provide a clear explanation to the Supplier.
- 20.5 The Authority shall publish the Transparency Information in a format that assists the general public in understanding the relevance and completeness of the information being published to ensure the public obtain a fair view on how the Contract is being performed, having regard to the context of the wider commercial relationship with the Supplier.
- 20.6 The Supplier agrees that any Information it holds that is not included in the Transparency Reports but is reasonably relevant to or that arises from the provision of the Services shall be provided to the Authority on request unless the cost of doing so would exceed the appropriate limit prescribed under section 12 of the FOIA. The Authority may disclose such information under the FOIA and the EIRs and may (except for Commercially Sensitive Information, Confidential Information (subject to Clause 0) and Open Book Data) publish such Information. The Supplier shall provide to the Authority within five (5) Working Days (or such other period as the Authority may reasonably specify) any such Information requested by the Authority.
- 20.7 The Supplier acknowledges that the Authority is subject to the requirements of the FOIA and the EIRs. The Supplier shall:
- 20.7.1 provide all necessary assistance and cooperation as reasonably requested by the Authority to enable the Authority to comply with its obligations under the FOIA and EIRs;
 - 20.7.2 transfer to the Authority all Requests for Information relating to this Contract that it receives as soon as practicable and in any event within 2 Working Days of receipt;
 - 20.7.3 provide the Authority with a copy of all Information held on behalf of the Authority which is requested in a Request For Information and which is in its possession or control in the form that the Authority requires within 5 Working Days (or such

other period as the Authority may reasonably specify) of the Authority's request for such Information; and

20.7.4 not respond directly to a Request For Information addressed to the Authority unless authorised in writing to do so by the Authority.

20.8 The Supplier acknowledges that the Authority may be required under the FOIA and EIRs to disclose Information (including Commercially Sensitive Information) without consulting or obtaining consent from the Supplier. The Authority shall take reasonable steps to notify the Supplier of a Request For Information (in accordance with the Secretary of State's section 45 Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the FOIA) to the extent that it is permissible and reasonably practical for it to do so but (notwithstanding any other provision in this Contract) the Authority shall be responsible for determining in its absolute discretion whether any Commercially Sensitive Information and/or any other information is exempt from disclosure in accordance with the FOIA and EIRs.

21 Protection of Personal Data

21.1 The Supplier shall indemnify the Authority against any and all Losses incurred by the Authority due to breach by the Supplier of Data Protection Legislation or Clause 21.

Status of the Controller

21.2 The Parties acknowledge that for the purposes of the Data Protection Legislation, the nature of the activity carried out by each of them in relation to their respective obligations under this Contract will determine the status of each Party under the Data Protection Legislation. A Party may act as:

21.2.1 "Controller" (where the other Party acts as the "Processor");

21.2.2 "Processor" (where the other Party acts as the "Controller");

21.2.3 "Joint Controller" (where both Parties are considered to jointly control the same Personal Data);

21.2.4 "Independent Controller" of the Personal Data where the other Party is also "Controller" of the same Personal Data in its own right (but there is no element of joint control);

and the Parties shall set out in Schedule 31 (*Processing Personal Data*) which scenario or scenarios are intended to apply under this Contract.

Where one Party is Controller and the other Party its Processor

21.3 Where a Party is a Processor, the only processing that it is authorised to do is listed in Schedule 31 (*Processing Personal Data*) by the Controller and may not be determined by the Processor. The term "processing" and any associated terms are to be read in accordance with Article 4 of the UK GDPR and EU GDPR (as applicable).

21.4 The Processor shall notify the Controller immediately if it considers that any of the Controller's instructions infringe the Data Protection Legislation.

- 21.5 The Processor shall provide all reasonable assistance to the Controller in the preparation of any Data Protection Impact Assessment prior to commencing any processing. Such assistance may, at the discretion of the Controller, include:
- 21.5.1 a systematic description of the envisaged processing operations and the purpose of the processing;
 - 21.5.2 an assessment of the necessity and proportionality of the processing operations in relation to the Services;
 - 21.5.3 an assessment of the risks to the rights and freedoms of Data Subjects; and
 - 21.5.4 the measures envisaged to address the risks, including safeguards, security measures and mechanisms to ensure the protection of Personal Data.
- 21.6 The Processor shall, in relation to any Personal Data processed in connection with its obligations under this Contract:
- 21.6.1 process that Personal Data only in accordance with Schedule 31 (*Processing Personal Data*), unless the Processor is required to do otherwise by Law. If it is so required the Processor shall promptly notify the Authority before processing the Personal Data unless prohibited by Law;
 - 21.6.2 ensure that it has in place Protective Measures, including in the case of the Supplier the measures set out in Clause 18 (*Authority Data and Security Requirements*), which the Controller may reasonably reject (but failure to reject shall not amount to approval by the Controller of the adequacy of the Protective Measures) having taken account of the:
 - (a) nature of the data to be protected;
 - (b) harm that might result from a Data Loss Event;
 - (c) state of technological development; and
 - (d) cost of implementing any measures;
 - 21.6.3 ensure that:
 - (a) the Processor Personnel do not process Personal Data except in accordance with this Contract (and in particular Schedule 31 (*Processing Personal Data*));
 - (b) it takes all reasonable steps to ensure the reliability and integrity of any Processor Personnel who have access to the Personal Data and ensure that they:
 - (i) are aware of and comply with the Processor's duties under this Clause 21, Clauses 19 (*Confidentiality*) and 18 (*Authority Data and Security Requirements*);
 - (ii) are subject to appropriate confidentiality undertakings with the Processor or any Sub-processor;

- (iii) are informed of the confidential nature of the Personal Data and do not publish, disclose or divulge any of the Personal Data to any third party unless directed in writing to do so by the Controller or as otherwise permitted by this Contract; and
 - (iv) have undergone adequate training in the use, care, protection and handling of Personal Data;
- 21.6.4 not transfer such Personal Data outside of the UK and/or the EEA unless the prior written consent of the Controller has been obtained and the following conditions are fulfilled:
 - (a) the destination country has been recognised as adequate by the UK government in accordance with Article 45 of the UK GDPR (or section 74A of DPA 2018) and/or the transfer is in accordance with Article 45 of the EU GDPR (where applicable); or
 - (b) the Controller and/or the Processor has provided appropriate safeguards in relation to the transfer (whether in accordance with Article 46 of the UK GDPR or DPA 2018 Section 75 and/or Article 46 of the EU GDPR (where applicable)) as determined by the Controller which could include relevant parties entering into:
 - (i) where the transfer is subject to UK GDPR:
 - (A) the UK International Data Transfer Agreement as published by the Information Commissioner's Office under section 119A(1) of the DPA 2018 from time to time; or
 - (B) the European Commission's Standard Contractual Clauses per decision 2021/914/EU set out in Annex 3 to Schedule 31 (*Processing Personal Data*) or such updated version of such Standard Contractual Clauses as are published by the European Commission from time to time ("**EU SCCs**"), together with the UK International Data Transfer Agreement Addendum to the EU SCCs (the "**Addendum**") as published by the Information Commissioner's Office from time to time; and/or
 - (ii) where the transfer is subject to EU GDPR, the EU SCCs, as well as any additional measures determined by the Controller being implemented by the importing party;
 - (c) the Data Subject has enforceable rights and effective legal remedies;
 - (d) the Processor complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if it is not so bound, uses its best endeavours to assist the Controller in meeting its obligations); and
 - (e) the Processor complies with any reasonable instructions notified to it in advance by the Controller with respect to the processing of the Personal Data; and

Core Terms

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- 21.6.5 at the written direction of the Controller, delete or return Personal Data (and any copies of it) to the Controller on termination of the Contract unless the Processor is required by Law to retain the Personal Data.
- 21.7 Subject to Clause 21.8, the Processor shall notify the Controller immediately if it:
 - 21.7.1 receives a Data Subject Request (or purported Data Subject Request);
 - 21.7.2 receives a request to rectify, block or erase any Personal Data;
 - 21.7.3 receives any other request, complaint or communication relating to either Party's obligations under the Data Protection Legislation;
 - 21.7.4 receives any communication from the Information Commissioner or any other regulatory authority in connection with Personal Data processed under this Contract;
 - 21.7.5 receives a request from any third Party for disclosure of Personal Data where compliance with such request is required or purported to be required by Law; or
 - 21.7.6 becomes aware of a Data Loss Event.
- 21.8 The Processor's obligation to notify under Clause 21.7 shall include the provision of further information to the Controller in phases, as details become available, at the Processor's own cost.
- 21.9 Taking into account the nature of the processing, the Processor shall provide the Controller with reasonable assistance in relation to either Party's obligations under Data Protection Legislation and any complaint, communication or request made under Clause 21.7 (and insofar as possible within the timescales reasonably required by the Controller) including by promptly providing:
 - 21.9.1 the Controller with full details and copies of the complaint, communication or request;
 - 21.9.2 such assistance as is reasonably requested by the Controller to enable it to comply with a Data Subject Request within the relevant timescales set out in the Data Protection Legislation;
 - 21.9.3 the Controller, at its request, with any Personal Data it holds in relation to a Data Subject;
 - 21.9.4 assistance as requested by the Controller following any Data Loss Event; and/or
 - 21.9.5 assistance as requested by the Controller with respect to any request from the Information Commissioner's Office or any other regulatory authority, or any consultation by the Controller with the Information Commissioner's Office or any other regulatory authority.
- 21.10 The Processor shall maintain complete and accurate records and information to demonstrate its compliance with this Clause 21. This requirement does not apply where the Processor employs fewer than 250 staff, unless:
 - 21.10.1 the Controller determines that the processing is not occasional;

- 21.10.2 the Controller determines the processing includes special categories of data as referred to in Article 9(1) of the UK GDPR or Personal Data relating to criminal convictions and offences referred to in Article 10 of the UK GDPR; or
- 21.10.3 the Controller determines that the processing is likely to result in a risk to the rights and freedoms of Data Subjects.
- 21.11 The Processor shall allow for audits of its Data Processing activity by the Controller or the Controller's designated auditor.
- 21.12 The Parties shall designate a Data Protection Officer if required by the Data Protection Legislation.
- 21.13 Before allowing any Sub-processor to process any Personal Data related to this Contract, the Processor must:
 - 21.13.1 notify the Controller in writing of the intended Sub-processor and processing;
 - 21.13.2 obtain the written consent of the Controller;
 - 21.13.3 enter into a written agreement with the Sub-processor which gives effect to the terms set out in this Clause 21 such that they apply to the Sub-processor; and
 - 21.13.4 provide the Controller with such information regarding the Sub-processor as the Controller may reasonably require.
- 21.14 The Processor shall remain fully liable for all acts or omissions of any of its Sub-processors.
- 21.15 The Parties agree to take account of any guidance issued by the Information Commissioner's Office or any other regulatory authority. The Authority may on not less than 30 Working Days' notice to the Supplier amend this Contract to ensure that it complies with any guidance issued by the Information Commissioner's Office or any other regulatory authority.

Where the Parties are Joint Controllers of Personal Data

- 21.16 In the event that the Parties are Joint Controllers in respect of Personal Data under this Contract, the Parties shall implement Clauses that are necessary to comply with Article 26 of the UK GDPR based on the terms set out in Annex 1 to Schedule 31 (*Processing Personal Data*).

Where the Parties are Independent Controllers of Personal Data

- 21.17 With respect to Personal Data provided by one Party to another Party for which each Party acts as Controller but which is not under the Joint Control of the Parties, each Party undertakes to comply with the applicable Data Protection Legislation in respect of their processing of such Personal Data as Controller.
- 21.18 Each Party shall process the Personal Data in compliance with its obligations under the Data Protection Legislation and not do anything to cause the other Party to be in breach of it.
- 21.19 Where a Party has provided Personal Data to the other Party in accordance with Clause 21.17, the recipient of the Personal Data will provide all such relevant documents

and information relating to its data protection policies and procedures as the other Party may reasonably require.

21.20 The Parties shall be responsible for their own compliance with Articles 13 and 14 of the UK GDPR in respect of the processing of Personal Data for the purposes of this Contract.

21.21 The Parties shall only provide Personal Data to each other:

21.21.1 to the extent necessary to perform the respective obligations under this Contract;

21.21.2 in compliance with the Data Protection Legislation (including by ensuring all required fair processing information has been given to affected Data Subjects);

21.21.3 where the provision of Personal Data from one Party to another involves transfer of such data to outside the UK and/or the EEA, if the prior written consent of the non-transferring Party has been obtained and the following conditions are fulfilled:

(a) the destination country has been recognised as adequate by the UK government is in accordance with Article 45 of the UK GDPR or DPA 2018 Section 74A and/or the transfer is in accordance with Article 45 of the EU GDPR (where applicable); or

(b) the transferring Party has provided appropriate safeguards in relation to the transfer (whether in accordance with Article 46 of the UK GDPR or DPA 2018 Section 75 and/or Article 46 of the EU GDPR (where applicable)) as determined by the non-transferring Party which could include the relevant parties entering into:

(i) where the transfer is subject to UK GDPR:

(A) the UK International Data Transfer Agreement (the "**IDTA**") as published by the Information Commissioner's Office or such updated version of such IDTA as is published by the Information Commissioner's Office under section 119A(1) of the DPA 2018 from time to time; or

(B) the European Commission's Standard Contractual Clauses per decisions 2021/914/EU or such updated version of such Standard Contractual Clauses as are published by the European Commission from time to time (the "**EU SCCs**"), together with the UK International Data Transfer Agreement Addendum to the EU SCCs (the "**Addendum**") as published by the Information Commissioner's Office from time to time; and/or

(ii) where the transfer is subject to EU GDPR, the EU SCCs,

as well as any additional measures determined by the Controller being implemented by the importing party;

(c) the Data Subject has enforceable rights and effective legal remedies;

- (d) the transferring Party complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if it is not so bound, uses its best endeavours to assist the non-transferring Party in meeting its obligations); and
- (e) the transferring Party complies with any reasonable instructions notified to it in advance by the non-transferring Party with respect to the processing of the Personal Data; and

21.21.4 where it has recorded it in Schedule 31 (*Processing Personal Data*).

21.22 Taking into account the state of the art, the costs of implementation and the nature, scope, context and purposes of processing as well as the risk of varying likelihood and severity for the rights and freedoms of natural persons, each Party shall, with respect to its processing of Personal Data as independent Controller, implement and maintain appropriate technical and organisational measures to ensure a level of security appropriate to that risk, including, as appropriate, the measures referred to in Article 32(1)(a), (b), (c) and (d) of the UK GDPR, and the measures shall, at a minimum, comply with the requirements of the Data Protection Legislation, including Article 32 of the UK GDPR.

21.23 A Party processing Personal Data for the purposes of this Contract shall maintain a record of its processing activities in accordance with Article 30 of the UK GDPR and shall make the record available to the other Party upon reasonable request.

21.24 Where a Party receives a request by any Data Subject to exercise any of their rights under the Data Protection Legislation in relation to the Personal Data provided to it by the other Party pursuant to this Contract ("**the Request Recipient**"):

21.24.1 the other Party shall provide any information and/or assistance as reasonably requested by the Request Recipient to help it respond to the request or correspondence, at the cost of the Request Recipient; or

21.24.2 where the request or correspondence is directed to the other party and/or relates to the other party's Processing of the Personal Data, the Request Recipient will:

- (a) promptly, and in any event within five (5) Working Days of receipt of the request or correspondence, inform the other party that it has received the same and shall forward such request or correspondence to the other party; and
- (b) provide any information and/or assistance as reasonably requested by the other party to help it respond to the request or correspondence in the timeframes specified by Data Protection Legislation.

21.25 Each party shall promptly notify the other Party upon it becoming aware of any Data Loss Event relating to Personal Data provided by the other party pursuant to this Contract and shall:

21.25.1 do all such things as reasonably necessary to assist the other Party in mitigating the effects of the Data Breach;

21.25.2 implement any measures necessary to restore the security of any compromised Personal Data;

- 21.25.3 work with the other Party to make any required notifications to the Information Commissioner's Office or any other regulatory authority and affected Data Subjects in accordance with the Data Protection Legislation (including the timeframes set out therein); and
- 21.25.4 not do anything which may damage the reputation of the other Party or that Party's relationship with the relevant Data Subjects, save as required by Law.
- 21.26 Personal Data provided by one Party to the other Party may be used exclusively to exercise rights and obligations under this Contract as specified in Schedule 31 (*Processing Personal Data*).
- 21.27 Personal Data shall not be retained or processed for longer than is necessary to perform each Party's obligations under this Contract which is specified in Schedule 31 (*Processing Personal Data*).
- 21.28 Notwithstanding the general application of Clauses 21.3 to 21.15 to Personal Data, where the Supplier is required to exercise its regulatory and/or legal obligations in respect of Personal Data, it shall act as an Independent Controller of Personal Data in accordance with Clause 21.16 to 21.27.

Standard Contractual Clauses

21.29 It is noted that on 28 June 2021 the European Commission made an implementing decision pursuant to Article 45 of the EU GDPR on the adequate protection of personal data by the United Kingdom which contains carve-outs for certain transfers outside of the EU to the UK of certain types of Personal Data (the "**UK Adequacy Decision**"). If any transfer of Personal Data which is subject to EU GDPR pursuant to this Contract is not covered by the UK Adequacy Decision or at any time during the term of the Contract the UK Adequacy Decision is:

- 21.29.1 withdrawn, invalidated, overruled or otherwise ceases to have effect, or
- 21.29.2 amended in such a way as to affect the transfers of Personal Data outside of the EU which are contemplated under this Contract,

Clauses 21.30 to 21.31 below shall apply.

21.30 The Parties agree:

- 21.30.1 that without any further action being required they have entered into the Standard Contractual Clauses in the European Commission's decision 2021/914/EU in respect of data transfers by the Supplier outside of the EU to the UK;
- 21.30.2 that, where no other appropriate safeguard or exemption applies, that the Personal Data subject to this Contract (and to which Chapter V of the EU GDPR applies) will be transferred in accordance with those Standard Contractual Clauses as of the date the Parties entered into those Standard Contractual Clauses;
- 21.30.3 to use best endeavours to complete the annexes to the Standard Contractual Clauses promptly and at their own cost for the purpose of giving full effect to them; and

21.30.4 that if there is any conflict between this Contract and the Standard Contractual Clauses the terms of the Standard Contractual Clauses shall apply.

21.31 In the event that the European Commission updates, amends, substitutes, adopts or publishes new Standard Contractual Clauses from time to time, the Parties agree:

21.31.1 that the most up to date Standard Contractual Clauses from time to time shall be automatically incorporated in place of those in use at the time of such update, amendment, substitution, adoption or publication and that such incorporation is not a Change;

21.31.2 that where no other appropriate safeguard or exemption applies, that the Personal Data subject to this Contract (and to which Chapter V of the EU GDPR applies) will be transferred in accordance with the relevant form of the most up to date Standard Contractual Clauses as of the date the European Commission decision regarding such new Standard Contractual Clauses becomes effective;

21.31.3 to use best endeavours to complete any part of the most up to date Standard Contractual Clauses that a Party must complete promptly and at their own cost for the purpose of giving full effect to them; and

21.31.4 that if there is any conflict between this Contract and the most up to date Standard Contractual Clauses the terms of the most up to date Standard Contractual Clauses shall apply.

22 Publicity and Branding

22.1 The Supplier shall not:

22.1.1 make any press announcements or publicise this Contract or its contents in any way; or

22.1.2 use the Authority's name or brand in any promotion or marketing or announcement of orders;

without the prior written consent of the Authority, which shall not be unreasonably withheld or delayed.

22.2 Each Party acknowledges to the other that nothing in this Contract either expressly or by implication constitutes an endorsement of any products or services of the other Party (including the Services, the Supplier System and the Authority System) and each Party agrees not to conduct itself in such a way as to imply or express any such approval or endorsement.

Section G: Liability, Indemnities and Insurance

23 Limitations on Liability

Unlimited liability

23.1 Neither Party limits its liability for:

- 23.1.1 death or personal injury caused by its negligence, or that of its employees, agents or sub-contractors (as applicable);
- 23.1.2 fraud or fraudulent misrepresentation by it or its employees;
- 23.1.3 breach of any obligation 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; or
- 23.1.4 any liability to the extent it cannot be limited or excluded by Law.

23.2 The Supplier's liability in respect of the indemnities in Clause 10.5 (VAT), Clause 14.7 (*Employment Indemnity*), Clause 14.8 (*Income Tax and National Insurance Contributions*), Clause 17 (*IPRs Indemnity*), Schedule 28 (*Staff Transfer*) and the Annexes to Schedule 28 (*Staff Transfer*) shall be unlimited.

23.3 The Authority's liability in respect of the indemnities in Clause 14.7 (*Employment Indemnity*), Schedule 28 (*Staff Transfer*) and the Annexes to Schedule 28 (*Staff Transfer*) shall be unlimited.

Financial and other limits

23.4 Subject to Clauses 23.1 and 23.2 (*Unlimited Liability*) and Clauses 23.7 (*Consequential losses*):

- 23.4.1 the Supplier's aggregate liability in respect of loss of or damage to the Authority Premises or other property or assets of the Authority (including technical infrastructure, assets or equipment but excluding any loss or damage to the Authority's Data or any other data) that is caused by Defaults of the Supplier occurring in each and any Contract Year shall in no event exceed £10 million;
- 23.4.2 the Supplier's aggregate liability in respect of loss or damage to Authority Data and the indemnity at Clause 21.1 in each and any Contract Year shall in no event exceed £10 million;
- 23.4.3 the Supplier's aggregate liability in respect of all:
 - (a) Service Credits; and
 - (b) Compensation for Unacceptable KPI Failure;incurred in any rolling period of 12 months shall be subject to the Service Credit Cap; and
- 23.4.4 the Supplier's aggregate liability in respect of all other Losses incurred by the Authority under or in connection with this Contract as a result of Defaults by the

Supplier, including the Supplier's aggregate liability in respect of the indemnities at Clause 5.3.2 shall in no event exceed:

- (a) in relation to Defaults occurring in the first Contract Year, an amount equal to 150% of the Estimated Year 1 Charges;
- (b) in relation to Defaults occurring during any subsequent Contract Year, an amount equal to 150% of the Charges paid and/or due to be paid to the Supplier under this Contract in the Contract Year immediately preceding the occurrence of the Default; and
- (c) in relation to Defaults occurring after the end of the Term, an amount equal to 150% of the Charges paid and/or due to be paid to the Supplier in the 12 month period immediately prior to the last day of the Term,

provided that where any Losses referred to this Clause 23.4.4 have been incurred by the Authority as a result of the Supplier's abandonment of this Contract or the Supplier's wilful breach of a fundamental term of this Contract or wilful repudiatory breach of this Contract or the Supplier's aggregate liability in respect of the indemnity at Clause 3.8, the references in such Clause to 150% shall be deemed to be references to 200%.

23.5 Deductions from Charges shall not be taken into consideration when calculating the Supplier's liability under Clause 23.4.3.

23.6 Subject to Clauses 23.1 and 23.3 (*Unlimited Liability*) and Clause 23.7 (*Consequential Losses*) and without prejudice to the Authority's obligation to pay the Charges as and when they fall due for payment:

23.6.1 the Authority's total aggregate liability in respect of all Losses incurred by the Supplier under or in connection with this Contract as a result of early termination of this Contract by the Authority pursuant to Clause 31.1.1 (*Termination by the Authority*) or by the Supplier pursuant to Clause 31.3.1 (*Termination by the Supplier*) shall in no event exceed the following amounts:

- (a) in relation to the Unrecovered Payment, the amount set out in Paragraph 4 of Schedule 16 (*Payments on Termination*);
- (b) in relation to the Breakage Costs Payment, the amount set out in Paragraph 3.2 of Schedule 16 (*Payments on Termination*); and
- (c) in relation to the Compensation Payment, the amount set out in Paragraph 6 of Schedule 16 (*Payments on Termination*); and

23.6.2 the Authority's aggregate liability in respect of all Losses incurred by the Supplier under or in connection with this Contract as a result of Defaults of the Authority shall in no event exceed:

- (a) in relation to Defaults occurring in the first Contract Year, an amount equal to the Estimated Year 1 Charges;
- (b) in relation to Defaults occurring during any subsequent Contract Year, an amount equal to the total Charges paid and/or due to be paid under this Contract in the Contract Year immediately preceding the occurrence of the Default; and

- (c) in relation to Defaults occurring after the end of the Term, an amount equal to the total Charges paid and/or due to be paid to the Supplier in the 12 month period immediately prior to the last day of the Term.

Consequential Losses

23.7 Subject to Clauses 23.1, 23.2 and 23.3 (*Unlimited Liability*) and Clause 23.8, neither Party shall be liable to the other Party for:

23.7.1 any indirect, special or consequential Loss; and/or

23.7.2 any loss of profits, turnover, business opportunities or damage to goodwill (in each case whether direct or indirect).

23.8 Notwithstanding Clause 23.7 but subject to Clause 23.4, the Supplier acknowledges that the Authority may, amongst other things, recover from the Supplier the following Losses incurred by the Authority to the extent that they arise as a result of a Default by the Supplier:

23.8.1 any additional operational and/or administrative costs and expenses incurred by the Authority, including costs relating to time spent by or on behalf of the Authority in dealing with the consequences of the Default;

23.8.2 any wasted expenditure or charges;

23.8.3 the additional cost of procuring Replacement Services for the remainder of the Term and/or replacement Deliverables, which shall include any incremental costs associated with such Replacement Services and/or replacement Deliverables above those which would have been payable under this Contract;

23.8.4 any compensation or interest paid to a third party by the Authority;

23.8.5 any fine or penalty incurred by the Authority pursuant to Law and any costs incurred by the Authority in defending any proceedings which result in such fine or penalty; and

23.8.6 any anticipated savings identified in Schedule 20 (*Anticipated Savings*).

Conduct of indemnity claims

23.9 Where under this Contract one Party indemnifies the other Party, the Parties shall comply with the provisions of Schedule 27 (*Conduct of Claims*) in relation to the conduct of claims made by a third person against the Party having (or claiming to have) the benefit of the indemnity.

Mitigation

23.10 Each Party shall use all reasonable endeavours to mitigate any loss or damage suffered arising out of or in connection with this Contract, including any Losses for which the relevant Party is entitled to bring a claim against the other Party pursuant to the indemnities in this Contract.

24 Insurance

24.1 The Supplier shall comply with the provisions of Schedule 6 (*Insurance Requirements*) in relation to obtaining and maintaining insurance.

Section H: Remedies and Relief

25 Rectification Plan Process

25.1 In the event that:

25.1.1 there is, or is reasonably likely to be, a Delay; and/or

25.1.2 in any Service Period there has been:

(a) a Material KPI Failure; and/or

(b) a Material PI Failure; and/or

25.1.3 the Supplier commits a Material Default that is capable of remedy,

(each a “**Notifiable Default**”), the Supplier shall notify the Authority of the Notifiable Default as soon as practicable but in any event within 3 Working Days of becoming aware of the Notifiable Default, detailing the actual or anticipated effect of the Notifiable Default and, unless the Notifiable Default also constitutes a Rectification Plan Failure or other Supplier Termination Event, the Authority may not terminate this Contract in whole or in part on the grounds of the Notifiable Default without first following the Rectification Plan Process.

Notification

25.2 If:

25.2.1 the Supplier notifies the Authority pursuant to Clause 25.1 that a Notifiable Default has occurred; or

25.2.2 the Authority notifies the Supplier that it considers that a Notifiable Default has occurred (setting out sufficient detail so that it is reasonably clear what the Supplier has to rectify),

then, unless the Notifiable Default also constitutes a Supplier Termination Event and the Authority serves a Termination Notice, the Supplier shall comply with the Rectification Plan Process.

25.3 The “**Rectification Plan Process**” shall be as set out in Clauses 25.4 (*Submission of the draft Rectification Plan*) to 25.9 (*Agreement of the Rectification Plan*).

Submission of the draft Rectification Plan

25.4 The Supplier shall submit a draft Rectification Plan to the Authority for it to review as soon as possible and in any event within 10 Working Days (or such other period as may be agreed between the Parties) after the original notification pursuant to Clause 25.2 (*Notification*). The Supplier shall submit a draft Rectification Plan even if the Supplier disputes that it is responsible for the Notifiable Default.

25.5 The draft Rectification Plan shall set out:

25.5.1 full details of the Notifiable Default that has occurred, including a root cause analysis;

- 25.5.2 the actual or anticipated effect of the Notifiable Default; and
 - 25.5.3 the steps which the Supplier proposes to take to rectify the Notifiable Default (if applicable) and to prevent such Notifiable Default from recurring, including timescales for such steps and for the rectification of the Notifiable Default (where applicable).
- 25.6 The Supplier shall promptly provide to the Authority any further documentation that the Authority reasonably requires to assess the Supplier's root cause analysis. If the Parties do not agree on the root cause set out in the draft Rectification Plan, either Party may refer the matter to be determined by an expert in accordance with Paragraph 6 of Schedule 23 (*Dispute Resolution Procedure*).

Agreement of the Rectification Plan

- 25.7 The Authority may reject the draft Rectification Plan by notice to the Supplier if, acting reasonably, it considers that the draft Rectification Plan is inadequate, for example because the draft Rectification Plan:
- 25.7.1 is insufficiently detailed to be capable of proper evaluation;
 - 25.7.2 will take too long to complete;
 - 25.7.3 will not prevent reoccurrence of the Notifiable Default; and/or
 - 25.7.4 will rectify the Notifiable Default but in a manner which is unacceptable to the Authority.
- 25.8 The Authority shall notify the Supplier whether it consents to the draft Rectification Plan as soon as reasonably practicable. If the Authority rejects the draft Rectification Plan, the Authority shall give reasons for its decision and the Supplier shall take the reasons into account in the preparation of a revised Rectification Plan. The Supplier shall submit the revised draft of the Rectification Plan to the Authority for review within 5 Working Days (or such other period as agreed between the Parties) of the Authority's notice rejecting the first draft.
- 25.9 If the Authority consents to the Rectification Plan:
- 25.9.1 the Supplier shall immediately start work on the actions set out in the Rectification Plan; and
 - 25.9.2 the Authority may no longer terminate this Contract in whole or in part on the grounds of the relevant Notifiable Default;
- save in the event of a Rectification Plan Failure or other Supplier Termination Event.

26 Not used

27 Remedial Adviser

- 27.1 If:
- 27.1.1 any of the Intervention Trigger Events occur; or

27.1.2 the Authority reasonably believes that any of the Intervention Trigger Events are likely to occur,

(each an “**Intervention Cause**”), the Authority may give notice to the Supplier (an “**Intervention Notice**”) giving reasonable details of the Intervention Cause and requiring:

27.1.3 a meeting between the Authority Representative and the Supplier Representative to discuss the Intervention Cause; and/or

27.1.4 the appointment as soon as practicable by the Supplier of a Remedial Adviser, as further described in this Clause 27.

For the avoidance of doubt, if the Intervention Cause is also a Supplier Termination Event, the Authority has no obligation to exercise its rights under this Clause 27.1 prior to or instead of exercising its right to terminate this Contract.

27.2 If the Authority gives notice that it requires the appointment of a Remedial Adviser:

27.2.1 the Remedial Adviser shall be:

- (a) a person selected by the Supplier and approved by the Authority; or
- (b) if none of the persons selected by the Supplier have been approved by the Authority (or no person has been selected by the Supplier) within 10 Working Days following the date on which the Intervention Notice is given, a person identified by the Authority;

27.2.2 the terms of engagement and start date agreed with the Remedial Adviser must be approved by the Authority; and

27.2.3 any right of the Authority to terminate this Contract pursuant to Clause 31.1.2 (*Termination by the Authority*) for the occurrence of that Intervention Cause shall be suspended for 60 Working Days from (and including) the date of the Intervention Notice (or such other period as may be agreed between the Parties)(the “**Intervention Period**”).

27.3 The Remedial Adviser’s overall objective shall be to mitigate the effects of, and (to the extent capable of being remedied) to remedy, the Intervention Cause and to avoid the occurrence of similar circumstances in the future. In furtherance of this objective (but without diminishing the Supplier’s responsibilities under this Contract), the Parties agree that the Remedial Adviser may undertake any one or more of the following actions:

27.3.1 observe the conduct of and work alongside the Supplier Personnel to the extent that the Remedial Adviser considers reasonable and proportionate having regard to the Intervention Cause;

27.3.2 gather any information the Remedial Adviser considers relevant in the furtherance of its objective;

27.3.3 write reports and provide information to the Authority in connection with the steps being taken by the Supplier to remedy the Intervention Cause;

27.3.4 make recommendations to the Authority and/or the Supplier as to how the Intervention Cause might be mitigated or avoided in the future; and/or

- 27.3.5 take any other steps that the Authority and/or the Remedial Adviser reasonably considers necessary or expedient in order to mitigate or rectify the Intervention Cause.

27.4 The Supplier shall:

- 27.4.1 work alongside, provide information to, co-operate in good faith with and adopt any reasonable methodology in providing the Services recommended by the Remedial Adviser;
- 27.4.2 ensure that the Remedial Adviser has all the access it may require in order to carry out its objective, including access to the Assets;
- 27.4.3 submit to such monitoring as the Authority and/or the Remedial Adviser considers reasonable and proportionate in respect of the Intervention Cause;
- 27.4.4 implement any reasonable recommendations made by the Remedial Adviser that have been approved by the Authority within the timescales given by the Remedial Adviser; and
- 27.4.5 not terminate the appointment of the Remedial Adviser prior to the end of the Intervention Period without the prior consent of the Authority (such consent not to be unreasonably withheld).

27.5 The Supplier shall be responsible for:

- 27.5.1 the costs of appointing, and the fees charged by, the Remedial Adviser; and
- 27.5.2 its own costs in connection with any action required by the Authority and/or the Remedial Adviser pursuant to this Clause 27.

27.6 If:

- 27.6.1 the Supplier:
 - (a) fails to perform any of the steps required by the Authority in an Intervention Notice; and/or
 - (b) is in Default of any of its obligations under Clause 27.4; and/or
- 27.6.2 the relevant Intervention Trigger Event is not rectified by the end of the Intervention Period,

(each a “**Remedial Adviser Failure**”), the Authority shall be entitled to terminate this Contract pursuant to Clause 31.1.2 (*Termination by the Authority*).

28 Step-In Rights

- 28.1 On the occurrence of a Step-In Trigger Event, the Authority may serve notice on the Supplier (a “**Step-In Notice**”) that it will be taking action under this Clause 28 (*Step-in Rights*), either itself or with the assistance of a third party (provided that the Supplier may require any third parties to comply with a confidentiality undertaking equivalent to Clause 19 (*Confidentiality*)). The Step-In Notice shall set out the following:

- 28.1.1 the action the Authority wishes to take and in particular the Services that it wishes to control (the “**Required Action**”);
 - 28.1.2 the Step-In Trigger Event that has occurred and whether the Authority believes that the Required Action is due to the Supplier's Default;
 - 28.1.3 the date on which it wishes to commence the Required Action;
 - 28.1.4 the time period which it believes will be necessary for the Required Action;
 - 28.1.5 whether the Authority will require access to the Supplier's premises and/or the Sites; and
 - 28.1.6 to the extent practicable, the impact that the Authority anticipates the Required Action will have on the Supplier's obligations to provide the Services during the period that the Required Action is being taken.
- 28.2 Following service of a Step-In Notice, the Authority shall:
- 28.2.1 take the Required Action set out in the Step-In Notice and any consequential additional action as it reasonably believes is necessary to achieve the Required Action;
 - 28.2.2 keep records of the Required Action taken and provide information about the Required Action to the Supplier;
 - 28.2.3 co-operate wherever reasonable with the Supplier in order to enable the Supplier to continue to provide the Services in relation to which the Authority is not assuming control; and
 - 28.2.4 act reasonably in mitigating the cost that the Supplier will incur as a result of the exercise of the Authority's rights under this Clause 28.
- 28.3 For so long as and to the extent that the Required Action is continuing, then:
- 28.3.1 the Supplier shall not be obliged to provide the Services to the extent that they are the subject of the Required Action;
 - 28.3.2 no Deductions shall be applicable in relation to Charges in respect of Services that are the subject of the Required Action and the provisions of Clause 28.4 shall apply to Deductions from Charges in respect of other Services; and
 - 28.3.3 the Authority shall pay to the Supplier the Charges after subtracting any applicable Deductions and the Authority's costs of taking the Required Action.
- 28.4 If the Supplier demonstrates to the reasonable satisfaction of the Authority that the Required Action has resulted in:
- 28.4.1 the degradation of any Services not subject to the Required Action; or
 - 28.4.2 the non-Achievement of a Milestone,
- beyond that which would have been the case had the Authority not taken the Required Action, then the Supplier shall be entitled to an agreed adjustment of the Charges.

- 28.5 Before ceasing to exercise its step in rights under this Clause 28 the Authority shall deliver a written notice to the Supplier (a “**Step-Out Notice**”), specifying:
- 28.5.1 the Required Action it has actually taken; and
 - 28.5.2 the date on which the Authority plans to end the Required Action (the “**Step-Out Date**”) subject to the Authority being satisfied with the Supplier's ability to resume the provision of the Services and the Supplier's plan developed in accordance with Clause 28.6.
- 28.6 The Supplier shall, following receipt of a Step-Out Notice and not less than 20 Working Days prior to the Step-Out Date, develop for the Authority's approval a draft plan (a “**Step-Out Plan**”) relating to the resumption by the Supplier of the Services, including any action the Supplier proposes to take to ensure that the affected Services satisfy the requirements of this Contract.
- 28.7 If the Authority does not approve the draft Step-Out Plan, the Authority shall inform the Supplier of its reasons for not approving it. The Supplier shall then revise the draft Step-Out Plan taking those reasons into account and shall re-submit the revised plan to the Authority for the Authority's approval. The Authority shall not withhold or delay its approval of the draft Step-Out Plan unnecessarily.
- 28.8 The Supplier shall bear its own costs in connection with any step-in by the Authority under this Clause 28, provided that the Authority shall reimburse the Supplier's reasonable additional expenses incurred directly as a result of any step-in action taken by the Authority under:
- 28.8.1 limbs (c) or (d) of the definition of a Step-In Trigger Event; or
 - 28.8.2 limbs (e) and (f) of the definition of a Step-in Trigger Event (insofar as the primary cause of the Authority serving the Step-In Notice is identified as not being the result of the Supplier's Default).

29 Authority Cause

- 29.1 Notwithstanding any other provision of this Contract, if the Supplier has failed to:
- 29.1.1 Achieve a Milestone by its Milestone Date;
 - 29.1.2 provide the Operational Services in accordance with the Target Performance Levels; and/or
 - 29.1.3 comply with its obligations under this Contract,
- (each a “**Supplier Non-Performance**”),
- and can demonstrate that the Supplier Non-Performance would not have occurred but for an Authority Cause, then (subject to the Supplier fulfilling its obligations in this Clause 29):
- (a) the Supplier shall not be treated as being in breach of this Contract to the extent the Supplier can demonstrate that the Supplier Non-Performance was caused by the Authority Cause;

- (b) the Authority shall not be entitled to exercise any rights that may arise as a result of that Supplier Non-Performance:
 - (i) to terminate this Contract pursuant to Clause 31.1.2 (*Termination by the Authority*); or
 - (ii) to take action pursuant to Clauses 27 (*Remedial Adviser*) or 28 (*Step-In*);
- (c) where the Supplier Non-Performance constitutes the failure to Achieve a Milestone by its Milestone Date:
 - (i) the Milestone Date shall be postponed by a period equal to the period of Delay that the Supplier can demonstrate was caused by the Authority Cause;
 - (ii) if the Authority, acting reasonably, considers it appropriate, the Implementation Plan shall be amended to reflect any consequential revisions required to subsequent Milestone Dates resulting from the Authority Cause; and
 - (iii) not used
 - (iv) the Supplier shall be entitled to claim compensation subject to and in accordance with the principles set out in Paragraph 2 of Part C of Schedule 15 (*Charges and Invoicing*); and/or
- (d) where the Supplier Non-Performance constitutes a Performance Failure:
 - (i) the Supplier shall not be liable to accrue Service Credits;
 - (ii) the Authority shall not be entitled to withhold any of the Service Charges pursuant to Clause 7.2.4(b) (*Performance Failures*);
 - (iii) the Authority shall not be entitled to withhold and retain any Compensation for Unacceptable KPI Failure pursuant to Clause 7.4.1 (*Unacceptable KPI Failure*); and
 - (iv) the Supplier shall be entitled to invoice for the Service Charges for the relevant Operational Services affected by the Authority Cause,

in each case, to the extent that the Supplier can demonstrate that the Performance Failure was caused by the Authority Cause.

29.2 In order to claim any of the rights and/or relief referred to in Clause 29.1, the Supplier shall as soon as reasonably practicable (and in any event within 10 Working Days) after becoming aware that an Authority Cause has caused, or is reasonably likely to cause, a Supplier Non-Performance, give the Authority notice (a “**Relief Notice**”) setting out details of:

29.2.1 the Supplier Non-Performance;

29.2.2 the Authority Cause and its effect, or likely effect, on the Supplier’s ability to meet its obligations under this Contract;

- 29.2.3 any steps which the Authority can take to eliminate or mitigate the consequences and impact of such Authority Cause; and
- 29.2.4 the relief and/or compensation claimed by the Supplier.
- 29.3 Following the receipt of a Relief Notice, the Authority shall as soon as reasonably practicable consider the nature of the Supplier Non-Performance and the alleged Authority Cause and whether it agrees with the Supplier's assessment set out in the Relief Notice as to the effect of the relevant Authority Cause and its entitlement to relief and/or compensation, consulting with the Supplier where necessary.
- 29.4 The Supplier shall use all reasonable endeavours to eliminate or mitigate the consequences and impact of an Authority Cause, including any Losses that the Supplier may incur and the duration and consequences of any Delay or anticipated Delay.
- 29.5 Without prejudice to Clause 5.9 (*Continuing obligation to provide the Services*), if a Dispute arises as to:
 - 29.5.1 whether a Supplier Non-Performance would not have occurred but for an Authority Cause; and/or
 - 29.5.2 the nature and/or extent of the relief and/or compensation claimed by the Supplier,either Party may refer the Dispute to the Dispute Resolution Procedure. Pending the resolution of the Dispute, both Parties shall continue to resolve the causes of, and mitigate the effects of, the Supplier Non-Performance.
- 29.6 Any Change that is required to the Implementation Plan or to the Charges pursuant to this Clause 29 shall be implemented in accordance with the Change Control Procedure.

30 Force Majeure

- 30.1 Subject to the remaining provisions of this Clause 30 (and, in relation to the Supplier, subject to its compliance with its obligations in Schedule 26 (*Service Continuity Plan and Corporate Resolution Planning*)), a Party may claim relief under this Clause 30 from liability for failure to meet its obligations under this Contract for as long as and only to the extent that the performance of those obligations is directly affected by a Force Majeure Event. Any failure or delay by the Supplier in performing its obligations under this Contract which results from a failure or delay by an agent, Sub-contractor or supplier shall be regarded as due to a Force Majeure Event only if that agent, Sub-contractor or supplier is itself impeded by a Force Majeure Event from complying with an obligation to the Supplier.
- 30.2 The Affected Party shall as soon as reasonably practicable issue a Force Majeure Notice, which shall include details of the Force Majeure Event, its effect on the obligations of the Affected Party and any action the Affected Party proposes to take to mitigate its effect.
- 30.3 If the Supplier is the Affected Party, it shall not be entitled to claim relief under this Clause 30 to the extent that consequences of the relevant Force Majeure Event:
 - 30.3.1 are capable of being mitigated, but the Supplier has failed to do so;

- 30.3.2 should have been foreseen and prevented or avoided by a prudent provider of services similar to the Services, operating to the standards required by this Contract; or
- 30.3.3 are the result of the Supplier's failure to comply with its Service Continuity Plan (except to the extent that such failure is also due to a Force Majeure Event that affects the execution of the Service Continuity Plan).
- 30.4 Subject to Clause 30.5, as soon as practicable after the Affected Party issues the Force Majeure Notice, and at regular intervals thereafter, the Parties shall consult in good faith and use reasonable endeavours to agree any steps to be taken and an appropriate timetable in which those steps should be taken, to enable continued provision of the Services affected by the Force Majeure Event.
- 30.5 The Parties shall at all times following the occurrence of a Force Majeure Event and during its subsistence use their respective reasonable endeavours to prevent and mitigate the effects of the Force Majeure Event. Where the Supplier is the Affected Party, it shall take all steps in accordance with Good Industry Practice to overcome or minimise the consequences of the Force Majeure Event.
- 30.6 Where, as a result of a Force Majeure Event:
 - 30.6.1 an Affected Party fails to perform its obligations in accordance with this Contract, then during the continuance of the Force Majeure Event:
 - (a) the other Party shall not be entitled to exercise any rights to terminate this Contract in whole or in part as a result of such failure other than pursuant to Clause 31.1.3 (*Termination by the Authority*) or Clause 31.3.2 (*Termination by the Supplier*); and
 - (b) neither Party shall be liable for any Default arising as a result of such failure;
 - 30.6.2 the Supplier fails to perform its obligations in accordance with this Contract:
 - (a) the Authority shall not be entitled:
 - (i) during the continuance of the Force Majeure Event to exercise its rights under Clause 27 (*Remedial Adviser*) and/or Clause 28 (*Step-in Rights*) as a result of such failure; and
 - (ii) not used
 - (iii) to receive Service Credits, to withhold any of the Service Charges pursuant to Clause 7.2.4(b) (*Performance Failures*) or withhold and retain any of the Service Charges as compensation pursuant to Clause 7.4.1 (*Unacceptable KPI Failure*) to the extent that a Performance Failure has been caused by the Force Majeure Event; and
 - (b) the Supplier shall be entitled to receive payment of the Charges (or a proportional payment of them) only to the extent that the Services (or part of the Services) continue to be performed in accordance with the terms of this Contract during the occurrence of the Force Majeure Event.

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- 30.7 The Affected Party shall notify the other Party as soon as practicable after the Force Majeure Event ceases or no longer causes the Affected Party to be unable to comply with its obligations under this Contract.
- 30.8 Relief from liability for the Affected Party under this Clause 30 shall end as soon as the Force Majeure Event no longer causes the Affected Party to be unable to comply with its obligations under this Contract and shall not be dependent on the serving of notice under Clause 30.7.

Section I: Termination and Exit Management

31 Termination Rights

Termination by the Authority

31.1 The Authority may terminate this Contract by issuing a Termination Notice to the Supplier:

- 31.1.1 for convenience at any time;
- 31.1.2 if a Supplier Termination Event occurs;
- 31.1.3 if a Force Majeure Event endures for a continuous period of more than ninety (90) days; or
- 31.1.4 if the Contract has been substantially amended to the extent that the Public Contracts Regulations 2015 require a new procurement procedure,

and this Contract shall terminate on the date specified in the Termination Notice.

31.2 Where the Authority:

- 31.2.1 is terminating this Contract under Clause 31.1.2 due to the occurrence of either limb (b),(h) and/or (i) of the definition of Supplier Termination Event, it may rely on a single material Default or on a number of Defaults or repeated Defaults (whether of the same or different obligations and regardless of whether such Defaults are cured) which taken together constitute a material Default; and/or
- 31.2.2 has the right to terminate this Contract under Clause 31.1.2 or Clause 31.1.3, it may, prior to or instead of terminating the whole of this Contract, serve a Termination Notice requiring the partial termination of this Contract to the extent that it relates to any part of the Services which are materially affected by the relevant circumstances.

Termination by the Supplier

31.3 The Supplier may, by issuing a Termination Notice to the Authority, terminate:

- 31.3.1 this Contract if the Authority fails to pay an undisputed sum due to the Supplier under this Contract which in aggregate exceeds £900,000 and such amount remains outstanding 40 Working Days after the receipt by the Authority of a notice of non-payment from the Supplier; or
- 31.3.2 any Services that are materially impacted by a Force Majeure Event that endures for a continuous period of more than ninety (90) days,

and this Contract or the relevant Services (as the case may be) shall then terminate on the date specified in the Termination Notice (which shall not be less than 20 Working Days from the date of the issue of the Termination Notice). If the operation of Clause 31.3.2 would result in a Partial Termination, the provisions of Clause 31.4 (*Partial Termination*) shall apply.

Partial Termination

- 31.4 If the Supplier notifies the Authority pursuant to Clause 31.3.2 (*Termination by the Supplier*) that it intends to terminate this Contract in part and the Authority, acting reasonably, believes that the effect of such Partial Termination is to render the remaining Services incapable of meeting a significant part of the Authority Requirements, then the Authority shall be entitled to terminate the remaining part of this Contract by serving a Termination Notice to the Supplier within 1 month of receiving the Supplier's Termination Notice. For the purpose of this Clause 31.4, in assessing the significance of any part of the Authority Requirements, regard shall be had not only to the proportion of that part to the Authority Requirements as a whole, but also to the importance of the relevant part to the Authority.
- 31.5 The Parties shall agree the effect of any Change necessitated by a Partial Termination in accordance with the Change Control Procedure, including the effect the Partial Termination may have on any other Services and the Charges, provided that:
- 31.5.1 the Supplier shall not be entitled to an increase in the Charges in respect of the Services that have not been terminated if the Partial Termination arises due to the occurrence of a Supplier Termination Event;
- 31.5.2 any adjustment to the Charges (if any) shall be calculated in accordance with the Financial Model and must be reasonable; and
- 31.5.3 the Supplier shall not be entitled to reject the Change.

32 Consequences of Expiry or Termination

General Provisions on Expiry or Termination

- 32.1 The provisions of Clauses 5.8 (*Specially Written Software warranty*), 10.4 and 10.5 (VAT), 10.7 and 10.8 (*Set-off and Withholding*), 12 (*Records, Reports, Audits and Open Book Data*), 14.7 (*Employment Indemnity*), 14.8 (*Income Tax and National Insurance Contributions*), 16 (*Intellectual Property Rights*), 17.1 (*IPRs Indemnity*), 19 (*Confidentiality*), 20 (*Transparency and Freedom of Information*), 21 (*Protection of Personal Data*), 23 (*Limitations on Liability*), 32 (*Consequences of Expiry or Termination*), 38 (*Severance*), 40 (*Entire Agreement*), 41 (*Third Party Rights*), 43 (*Disputes*) and 44 (*Governing Law and Jurisdiction*), and the provisions of Schedules 1 (*Definitions*), 15 (*Charges and Invoicing*), 16 (*Payments on Termination*), 19 (*Financial Reports and Audit Rights*), 23 (*Dispute Resolution Procedure*), 24 (*Reports and Records Provisions*), 25 (*Exit Management*), 28 (*Staff Transfer*), and 32 (*Intellectual Property Rights*), shall survive the termination or expiry of this Contract.
- 32.2 Accumulated rights of the Parties shall not be affected by termination or expiry of the Contract.

Exit Management

- 32.3 The Parties shall comply with the provisions of Schedule 25 (*Exit Management*) and any current Exit Plan in relation to orderly transition of the Services to the Authority or a Replacement Supplier.

Payments by the Authority

- 32.4 If this Contract is terminated by the Authority pursuant to Clause 31.1.1 (*Termination by the Authority*) or by the Supplier pursuant to Clause 31.3.1 (*Termination by the Supplier*) or 34.4, the Authority shall pay the Supplier the following payments (which shall be the Supplier's sole remedy for the termination of this Contract):
- 32.4.1 the Termination Payment; and
 - 32.4.2 the Compensation Payment, if either of the following periods is less than three hundred and sixty-five (365) days:
 - (a) the period from (but excluding) the date that the Termination Notice is given (or, where Paragraph 2.1(a) of Part D of Schedule 15 (*Charges and Invoicing*) applies, deemed given) by the Authority pursuant to Clause 31.1.1 (*Termination by the Authority*)) to (and including) the Termination Date; or
 - (b) the period from (and including) the date of the non-payment by the Authority referred to in Clause 31.3.1 (*Termination by the Supplier*) to (and including) the Termination Date.
- 32.5 If this Contract is terminated (in part or in whole) by the Authority pursuant to Clauses 31.1.2, 31.1.3, 31.2 (*Termination by the Authority*) 33.8.12(b) and/or 33.12.2, or the Term expires, the only payments that the Authority shall be required to make as a result of such termination (whether by way of compensation or otherwise) are:
- 32.5.1 payments in respect of any Assets or apportionments in accordance with Schedule 25 (*Exit Management*); and
 - 32.5.2 payments in respect of unpaid Charges for Services received up until the Termination Date.
- 32.6 The costs of termination incurred by the Parties shall lie where they fall if:
- 32.6.1 either Party terminates or partially terminates this Contract for a continuing Force Majeure Event pursuant to Clauses 31.1.3 or 31.2.2 (*Termination by the Authority*) or 31.3.2 (*Termination by the Supplier*); or
 - 32.6.2 the Authority terminates this Contract under Clause 31.1.4 (*Termination by the Authority*).

Payments by the Supplier

- 32.7 In the event of termination or expiry of this Contract, the Supplier shall repay to the Authority all Charges it has been paid in advance in respect of Services not provided by the Supplier as at the date of expiry or termination.
- 32.8 If this Contract is terminated (in whole or in part) by the Authority pursuant to Clause 31.1.2 (*Termination by the Authority*) prior to Achievement of one or more CPP Milestones, the Authority may at any time on or within 12 months of the issue of the relevant Termination Notice by issue to the Supplier of written notice (a "**Milestone Adjustment Payment Notice**") require the Supplier to repay to the Authority an amount equal to the aggregate

Milestone Adjustment Payment Amounts in respect of each CPP Milestone to which the Milestone Adjustment Payment Notice relates.

32.9 A Milestone Adjustment Payment Notice shall specify:

- 32.9.1 each CPP Milestone to which it relates;
- 32.9.2 in relation to each such CPP Milestone, each Deliverable relating to that CPP Milestone that the Authority wishes to retain, if any (each such Deliverable being a **"Retained Deliverable"**); and
- 32.9.3 those Retained Deliverables, if any, the Allowable Price for which the Authority considers should be subject to deduction of an adjusting payment on the grounds that they do not or will not perform in all material respects in accordance with their specification (such adjusting payment being an **"Allowable Price Adjustment"**),

and may form part of a Termination Notice.

32.10 The Supplier shall within 10 Working Days of receipt of a Milestone Adjustment Payment Notice, in each case as applicable:

- 32.10.1 notify the Authority whether it agrees that the Retained Deliverables which the Authority considers should be subject to an Allowable Price Adjustment as specified in the relevant Milestone Adjustment Payment Notice should be so subject; and
- 32.10.2 in relation to each such Retained Deliverable that the Supplier agrees should be subject to an Allowable Price Adjustment, notify the Authority of the Supplier's proposed amount of the Allowable Price Adjustment and the basis for its approval;
- 32.10.3 provide the Authority with its calculation of the Milestone Adjustment Payment Amount in respect of each CPP Milestone the subject of the relevant Milestone Adjustment Payment Notice using its proposed Allowable Price Adjustment, including details of:
 - (a) all relevant Milestone Payments; and
 - (b) the Allowable Price of each Retained Deliverable; and
- 32.10.4 provide the Authority with such supporting information as the Authority may require.

32.11 If the Parties do not agree the calculation of a Milestone Adjustment Payment Amount within 20 Working Days of the Supplier's receipt of the relevant Milestone Adjustment Payment Notice, either Party may refer the Dispute to the Dispute Resolution Procedure.

32.12 If the Authority issues a Milestone Adjustment Payment Notice pursuant to Clause 32.8:

- 32.12.1 the Authority shall:
 - (a) securely destroy or return to the Supplier all Non-retained Deliverables that are in tangible form; and

- (b) ensure that all Non-retained Deliverables that are held in electronic, digital or other machine-readable form cease to be readily accessible (other than by the information technology staff of the Authority) from any computer, word processor, voicemail system or any other device containing such all Non-retained Deliverables,

in each case as soon as reasonably practicable after repayment of the aggregate Milestone Adjustment Payment Amounts repayable pursuant to that Milestone Adjustment Payment Notice; and

- 32.12.2 all licences granted by the Supplier pursuant to Schedule 32 (*Intellectual Property Rights*) in respect of Specially Written Software and Project Specific IPRs and any Supplier Non-COTS Software and/or Supplier Background IPRs shall terminate upon such repayment to the extent that they relate to the Non-retained Deliverables.

Section J: Miscellaneous and Governing Law

33 Compliance

Health and Safety

- 33.1 The Supplier shall perform its obligations under this Contract (including those in relation to the Services) in accordance with:
- 33.1.1 all applicable Law regarding health and safety; and
 - 33.1.2 the Health and Safety Policy whilst at the Authority Premises.
- 33.2 Each Party shall notify the other as soon as practicable of any health and safety incidents or material health and safety hazards at the Authority Premises of which it becomes aware and which relate to or arise in connection with the performance of this Contract. The Supplier shall instruct the Supplier Personnel to adopt any necessary associated safety measures in order to manage any such material health and safety hazards
- 33.2A The Supplier shall ensure that its health and safety policy statement (as required by the Health and Safety at Work Act etc.1974) is made available to the Authority on request

Employment Law

- 33.3 The Supplier must perform its obligations, meeting the requirements of all applicable Law regarding employment.

Equality and Diversity

- 33.4 The Supplier shall:
- 33.4.1 perform its obligations under this Contract (including those in relation to the Services) in accordance with:
 - (a) all applicable equality Law (whether in relation to race, sex, gender reassignment, age, disability, sexual orientation, religion or belief, pregnancy, maternity or otherwise) including but not limited to the Human Rights Act 1998;
 - (b) the Authority's equality and diversity policy as provided to the Supplier from time to time; and
 - (c) any other requirements and instructions which the Authority reasonably imposes in connection with any equality obligations imposed on the Authority at any time under applicable equality Law; and
 - 33.4.2 take all necessary steps, and inform the Authority of the steps taken, to prevent unlawful discrimination designated as such by any court or tribunal, or the Equality and Human Rights Commission or (any successor organisation).

Official Secrets Act and Finance Act

33.5 The Supplier shall comply with the provisions of:

33.5.1 the Official Secrets Acts 1911 to 1989; and

33.5.2 section 182 of the Finance Act 1989.

Conflicts of Interest

33.6 The Supplier:

33.6.1 must take action to ensure that neither the Supplier nor the Supplier Personnel are placed in the position of an actual, potential or perceived Conflict of Interest.

33.6.2 must promptly notify and provide details to the Authority if an actual, potential or perceived Conflict of Interest happens or is expected to happen.

33.7 The Authority will consider whether there are any appropriate measures that can be put in place to remedy an actual, perceived or potential Conflict of Interest. If, in the reasonable opinion of the Authority, such measures do not or will not resolve an actual or potential Conflict of Interest, the Authority may terminate this Contract in accordance with Clause 31.1.2 immediately by giving notice in writing to the Supplier where there is or may be an actual or potential Conflict of Interest and Clauses 32.3, 32.5 and 32.7 to 32.12 shall apply.

33.7A Clauses 33.6 and 33.7 shall apply for the duration of this Contract.

Modern Slavery

33.8 The Supplier:

33.8.1 shall not use, nor allow its sub-contractors to use forced, bonded or involuntary prison labour;

33.8.2 shall not require any Supplier Personnel or the personnel of any sub-contractors to lodge deposits or identity papers with their employer and shall be free to leave their employer after reasonable notice;

33.8.3 warrants and represents that it has not been convicted of any slavery or human trafficking offences anywhere around the world;

33.8.4 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 offences anywhere around the world;

33.8.5 shall make reasonable enquires to ensure that its officers, employees and sub-contractors have not been convicted of slavery or human trafficking offences anywhere around the world;

33.8.6 shall have and maintain throughout the Term its own policies and procedures to ensure its compliance with the Modern Slavery Act 2015 and include in its contracts with its sub-contractors anti-slavery and human trafficking provisions;

- 33.8.7 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 the Contract;
- 33.8.8 shall prepare and deliver to the Authority, an annual slavery and human trafficking report setting out the steps it has taken to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its business;
- 33.8.9 shall not use, nor allow its employees or sub-contractors 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 sub-contractors;
- 33.8.10 shall not use or allow child or slave labour to be used by its sub-contractors;
- 33.8.11 shall report the discovery or suspicion of any slavery, trafficking, forced labour, child labour, involuntary prison labour or labour rights abuses by it or its sub-contractors to the Authority and the Modern Slavery Helpline and relevant national or local law enforcement agencies;
- 33.8.12 if the Supplier is in Default under Clauses 33.8.1 to 33.8.11 the Authority may by notice:
 - (a) require the Supplier to remove from performance of the Contract any sub-contractor, Supplier Personnel or other persons associated with it whose acts or omissions have caused the Default; or
 - (b) immediately terminate the Contract in accordance with Clause 31.1.2; and
- 33.8.13 shall, if the Supplier or the Authority identifies any occurrence of modern slavery connected to this Contract, comply with any request of the Authority to follow the Rectification Plan Process to submit a remedial action plan which follows the form set out in Annex D of the Tackling Modern Slavery in Government Supply Chains guidance to PPN 02/23 (Tackling Modern Slavery in Government Supply Chains);
- 33.8.14 shall comply with any request by the Authority to complete the Modern Slavery Assessment Tool within sixty (60) days of such request, the results of which will be reviewed at a period to be agreed with the Authority during the Term to reduce the risk of modern slavery and human trafficking taking place in the supply chain;
- 33.8.15 shall comply with any request by the Authority to provide a Supply Chain Map within fourteen (14) days of such request;
- 33.8.16 shall comply with any request by the Authority to provide a copy of any reports of any sub-contractor regarding any or all of workplace conditions, working or employment practices and recruitment practices within fourteen (14) days of such request;
- 33.8.17 shall carry out due diligence to ensure workers in its business and its supply chains are not paying illegal or exploitative recruitment fees to secure employment, and where these fees are uncovered shall ensure that workers are remedied; and

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- 33.8.18 will assist the Authority with any investigations into reports or risks identified of modern slavery or human trafficking in the supply chain.
- 33.9 The following shall be added to the definition of “Audit” in Paragraph 1.1 of Schedule 19 (*Financial Reports and Audit Rights*) immediately after limb (t):
- “(u) to carry out an unannounced or semi-announced inspection of any Site and speak directly to any Supplier Personnel in a confidential manner and in the native language of such Supplier Personnel in respect of workforce conditions, working or employment practices and recruitment practices;”
- 33.10 For the purposes of an audit carried out pursuant to limb (u) of the definition of “Audit”, in addition to any other rights under the Contract, the Authority may instruct the Supplier to carry out such an audit of any Sub-Contractor by an independent third party and, if so instructed, the Supplier shall deliver a report to the Authority within ninety (90) days of such instruction.
- 33.11 If the Supplier notifies the Authority pursuant to Clause 33.8.11 it shall respond promptly to the Authority’s enquiries, co-operate with any investigation, and allow the Authority to audit any books, records and/or any other relevant documentation in accordance with the Contract.
- 33.12 If the Supplier is in Default under Clause 33.8 the Authority may by notice:
- 33.12.1 require the Supplier to remove from performance of the Contract any Sub-Contractor, Supplier Personnel or other persons associated with it whose acts or omissions have caused the Default; or
- 33.12.2 immediately terminate the Contract in accordance with Clause 31.1.2.

Whistleblowing

- 33.13 As soon as it is aware of it the Supplier and Supplier Personnel must report to the Authority any actual or suspected breach of:
- 33.13.1 Law;
- 33.13.2 Clauses 33.1 to 33.8 or 33.14; or
- 33.13.3 Clause 37.
- 33.14 The Supplier must not retaliate against any of the Supplier Personnel who in good faith reports a breach listed in this Clause to the Authority or a Prescribed Person.

DWP Policy

- 33.15 The Supplier shall at all times during the Term comply with the requirements of Schedule 33 (DWP Additional Requirements).
- 33.16 The Supplier shall notify the Authority immediately in the event of any incident occurring in the performance of its obligations under this Contract on the Authority Premises, where

that incident causes any personal injury or damage to property which could give rise to personal injury.

34 Assignment and Novation

34.1 The Supplier shall not assign, novate or otherwise dispose of or create any trust in relation to any or all of its rights, obligations or liabilities under this Contract without the prior written consent of the Authority.

34.2 The Authority may at its discretion assign, novate or otherwise dispose of any or all of its rights, obligations and liabilities under this Contract and/or any associated licences to:

34.2.1 any Crown Body; or

34.2.2 to a body other than a Crown Body (including any private sector body) which performs any of the functions that previously had been performed by the Authority,

and the Supplier shall, at the Authority's request, enter into a novation agreement in such form as the Authority shall reasonably specify in order to enable the Authority to exercise its rights pursuant to this Clause 34.2.

34.3 A change in the legal status of the Authority such that it ceases to be a Crown Body shall not (subject to Clause 34.4) affect the validity of this Contract and this Contract shall be binding on any successor body to the Authority.

34.4 If the Authority assigns, novates or otherwise disposes of any of its rights, obligations or liabilities under this Contract to a body which is not a Crown Body or if a body which is not a Crown Body succeeds the Authority (any such body a "**Successor Body**"), the Supplier shall have the right to terminate for an Insolvency Event affecting the Successor Body identical to the right of termination of the Authority under limb (k) of the definition of Supplier Termination Event (as if references in that limb (k) to the Supplier and the Guarantor were references to the Successor Body) and the consequences of termination set out in Clause 32.3 shall apply.

35 Waiver and Cumulative Remedies

35.1 The rights and remedies under this Contract may be waived only by notice and in a manner that expressly states that a waiver is intended. A failure or delay by a Party in ascertaining or exercising a right or remedy provided under this Contract or by law shall not constitute a waiver of that right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

35.2 Unless otherwise provided in this Contract, rights and remedies under this Contract are cumulative and do not exclude any rights or remedies provided by law, in equity or otherwise.

36 Relationship of the Parties

36.1 Except as expressly provided otherwise in this Contract, nothing in this Contract, nor any actions taken by the Parties pursuant to this Contract, shall create a partnership, joint venture or relationship of employer and employee or principal and agent between the

Parties, or authorise either Party to make representations or enter into any commitments for or on behalf of any other Party.

37 Prevention of Fraud, Bribery and Conflicts

37.1 The Supplier represents and warrants that neither it, nor to the best of its knowledge any Supplier Personnel, have at any time prior to the Effective Date:

37.1.1 committed a Prohibited Act or been formally notified that it is subject to an investigation or prosecution which relates to an alleged Prohibited Act; and/or

37.1.2 been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act.

37.2 The Supplier shall not during the term of this Contract:

37.2.1 commit a Prohibited Act; and/or

37.2.2 do or suffer anything to be done which would cause the Authority or any of the Authority's employees, consultants, contractors, sub-contractors or agents to contravene any of the Relevant Requirements or otherwise incur any liability in relation to the Relevant Requirements.

37.3 The Supplier shall during the term of this Contract:

37.3.1 establish, maintain and enforce, and require that its Sub-contractors establish, maintain and enforce, policies and procedures which are adequate to ensure compliance with the Relevant Requirements and prevent the occurrence of a Prohibited Act;

37.3.2 have in place reasonable prevention measures (as defined in sections 45(3) and 46(4) of the Criminal Finance Act 2017) to ensure that Associated Persons of the Supplier do not commit tax evasion facilitation offences as defined under that Act;

37.3.3 keep appropriate records of its compliance with its obligations under Clause 37.3.1 and make such records available to the Authority on request; and

37.3.4 take account of any guidance about preventing facilitation of tax evasion offences which may be published and updated in accordance with Section 47 of the Criminal Finances Act 2017.

37.3.5 have in place an established system that enables the Supplier and Supplier Personnel to report inappropriate behaviour by colleagues in respect of Performance Indicator claims;

37.3.6 ensure that the Supplier's performance management systems do not encourage individual Supplier Personnel to make false claims regarding achievement of Performance Indicators;

37.3.7 ensure a segregation of duties within the Supplier's and/or Sub-Contractor's operation between those employees directly involved in delivering the

service/goods performance and those reporting achievement of Performance Indicators to the Authority;

37.3.8 ensure that an audit system is implemented to provide periodic checks, as a minimum at six (6) Monthly intervals, to ensure effective and accurate recording and reporting of Performance Indicators, and

37.3.9 shall provide such policies and procedures to the Authority upon request;

37.3.10 comply with the requirements of paragraph 3 (Prevention of Bribery and Corruption) of Schedule 33 (DWP Additional Requirements) in respect of the prevention of fraud.

37.4 The Supplier shall immediately notify the Authority in writing if it becomes aware of any breach of Clause 37.1 and/or 37.2, or has reason to believe that it has or any of the Supplier Personnel have:

37.4.1 been subject to an investigation or prosecution which relates to an alleged Prohibited Act;

37.4.2 been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act; and/or

37.4.3 received a request or demand for any undue financial or other advantage of any kind in connection with the performance of this Contract or otherwise suspects that any person or Party directly or indirectly connected with this Contract has committed or attempted to commit a Prohibited Act.

37.5 If the Supplier makes a notification to the Authority pursuant to Clause 37.4, the Supplier shall respond promptly to the Authority's enquiries, co-operate with any investigation, and allow the Authority to Audit any books, Reporting Records and/or any other relevant documentation in accordance with Clause 12 (*Records, Reports, Audits and Open Book Data*).

37.6 If the Supplier is in Default under Clauses 37.1 and/or 37.2, the Authority may by notice:

37.6.1 require the Supplier to remove from performance of this Contract any Supplier Personnel whose acts or omissions have caused the Default; or

37.6.2 immediately terminate this Contract in accordance with Clause 31.1.2.

37.7 Any notice served by the Authority under Clause 37.6 shall specify the nature of the Prohibited Act, the identity of the Party who the Authority believes has committed the Prohibited Act and the action that the Authority has elected to take (including, where relevant, the date on which this Contract shall terminate).

38 Severance

38.1 If any provision or part provision of this Contract is or becomes invalid, illegal or unenforceable for any reason, such provision or part-provision shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of this Contract.

39 Further Assurances

- 39.1 Each Party undertakes at the request of the other, and at the cost of the requesting Party to do all acts and execute all documents which may be reasonably necessary to give effect to the meaning of this Contract.
- 39.2 The Supplier is required, subject to its first complying where required and relevant with any obligation placed on it by Law, to disclose immediately to the Authority any material changes to its organisation that impacts on its on-going financial viability including details of the revenue replacement strategy and impacts awareness on its organisation's profitability and stability where significant contracts are due to end.
- 39.3 The Supplier is required, subject to its first complying where required and relevant with any obligation placed on it by Law, to notify the Authority immediately of proposed changes to the organisational control or group structure, proposed mergers or acquisitions or proposed changes to the Supplier's financial viability.

40 Entire Agreement

- 40.1 This Contract constitutes the entire agreement between the Parties in respect of its subject matter and supersedes and extinguishes all prior negotiations, arrangements, understanding, course of dealings or agreements made between the Parties in relation to its subject matter, whether written or oral.
- 40.2 Neither Party has been given, nor entered into this Contract in reliance on, any warranty, statement, promise or representation other than those expressly set out in this Contract.
- 40.3 Nothing in this Clause 40 shall exclude any liability in respect of misrepresentations made fraudulently.

41 Third Party Rights

- 41.1 The provisions of Clause 17.1 (*IPRs Indemnity*), Paragraphs 2.1, 2.6, 3.1 and 3.3 of Part B, Part D and Paragraphs 1.4, 2.3 and 2.8 of Part E of Schedule 28 (Staff Transfer) and the provisions of Paragraph 7.9 of Schedule 25 (Exit Management) (together "**Third Party Provisions**") confer benefits on persons named or identified in such provisions other than the Parties (each such person a "**Third Party Beneficiary**") and are intended to be enforceable by Third Parties Beneficiaries by virtue of the CRTPA.
- 41.2 Subject to Clause 41.1, a person who is not a Party to this Contract has no right under the CRTPA to enforce any term of this Contract but this does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.
- 41.3 No Third Party Beneficiary may enforce, or take any step to enforce, any Third Party Provision without the prior written consent of the Authority, which may, if given, be given on and subject to such terms as the Authority may determine.
- 41.4 Any amendments or modifications to this Contract may be made, and any rights created under Clause 41.1 may be altered or extinguished, by the Parties without the consent of any Third Party Beneficiary.

42 Notices

- 42.1 Any notices sent under this Contract must be in writing.

42.2 Subject to Clause 42.4, the following table sets out the method by which notices may be served under this Contract and the respective deemed time and proof of service:

Manner of Delivery	Deemed time of service	Proof of service
Email	9.00am on the first Working Day after sending	Dispatched as a pdf attachment to an e-mail to the correct e-mail address without any error message.
Personal delivery	On delivery, provided delivery is between 9.00am and 5.00pm on a Working Day. Otherwise, delivery will occur at 9.00am on the next Working Day.	Properly addressed and delivered as evidenced by signature of a delivery receipt
Prepaid, Royal Mail Signed For TM 1st Class or other prepaid, next Working Day service providing proof of delivery.	At the time recorded by the delivery service, provided that delivery is between 9.00am and 5.00pm on a Working Day. Otherwise, delivery will occur at 9.00am on the same Working Day (if delivery before 9.00am) or on the next Working Day (if after 5.00pm).	Properly addressed prepaid and delivered as evidenced by signature of a delivery receipt

42.3 Notices shall be sent to the addresses set out below or at such other address as the relevant Party may give notice to the other Party for the purpose of service of notices under this Contract:

	Supplier	Authority
Contact	[Redacted]	[Redacted]
Address	Village Way, Bilston Wolverhampton WV14 0UJ	Peel Park, Brunel Way Blackpool FY4 5ES
Email	[Redacted]	[Redacted]

42.4 The following notices may only be served as an attachment to an email if the original notice is then sent to the recipient by personal delivery or recorded delivery in the manner set out in the table in Clause 42.2:

42.4.1 Step-In Notices;

42.4.2 Force Majeure Notices;

42.4.3 notices issued by the Supplier pursuant to Clause 31.3 (*Termination by the Supplier*);

42.4.4 Termination Notices; and

42.4.5 Dispute Notices.

42.5 Failure to send any original notice by personal delivery or recorded delivery in accordance with Clause 42.4 shall invalidate the service of the related e-mail transmission. The deemed time of delivery of such notice shall be the deemed time of delivery of the original notice sent by personal delivery or Royal Mail Signed ForTM 1st

Class delivery (as set out in the table in Clause 42.2) or, if earlier, the time of response or acknowledgement by the other Party to the email attaching the notice.

- 42.6 This Clause 42 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution (other than the service of a Dispute Notice under Schedule 23 (*Dispute Resolution Procedure*)).

43 Disputes

- 43.1 The Parties shall resolve Disputes arising out of or in connection with this Contract in accordance with the Dispute Resolution Procedure.
- 43.2 The Supplier shall continue to provide the Services in accordance with the terms of this Contract until a Dispute has been resolved.

44 Governing Law and Jurisdiction

- 44.1 This Contract and any issues, disputes or claims (whether contractual or non-contractual) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of England and Wales.
- 44.2 Subject to Clause 43 (*Disputes*) and Schedule 23 (*Dispute Resolution Procedure*) (including the Authority's right to refer the dispute to arbitration), the Parties agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) that arises out of or in connection with this Contract or its subject matter or formation.

Counterparts

- 44.3 This Contract may be executed in counterparts, each of which when executed and delivered shall constitute an original but all counterparts together shall constitute one and the same agreement.

This Contract has been duly entered into by the Parties on the date which appears at the head of its page 1.

SIGNED for and on behalf of
Restore Digital Limited by a director:

Signature:

Name (block capitals):

Director

SIGNED for and on behalf of
The Secretary of State for Work and Pensions

Signature:

Name (block capitals):

Position:

Model Agreement for Services

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Schedule 1

Definitions

Schedule 1: Definitions

1. Definitions

- 1.1 In the Contract, unless the context otherwise requires, capitalised expressions shall have the meanings set out in this Schedule 1 (*Definitions*) or the relevant Schedule in which that capitalised expression appears.
- 1.2 If a capitalised expression does not have an interpretation in this Schedule or any other Schedule, it shall, in the first instance, be interpreted in accordance with the common interpretation within the relevant market sector/industry where appropriate. Otherwise, it shall be interpreted in accordance with the dictionary meaning.
- 1.3 In the Contract, unless the context otherwise requires:
- 1.3.1 the singular includes the plural and vice versa;
 - 1.3.2 reference to a gender includes the other gender and the neuter;
 - 1.3.3 references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or Crown Body;
 - 1.3.4 a reference to any Law includes a reference to that Law as amended, extended, consolidated, replaced or re-enacted (including as a consequence of the Retained EU Law (Revocation and Reform) Act 2023) from time to time;
 - 1.3.5 the words “**including**”, “**other**”, “**in particular**”, “**for example**” and similar words shall not limit the generality of the preceding words and shall be construed as if they were immediately followed by the words “**without limitation**”;
 - 1.3.6 references to “**writing**” include typing, printing, lithography, photography, display on a screen, electronic and facsimile transmission and other modes of representing or reproducing words in a visible form, and expressions referring to writing shall be construed accordingly;
 - 1.3.7 references to “**representations**” shall be construed as references to present facts, to “**warranties**” as references to present and future facts and to “**undertakings**” as references to obligations under the Contract;
 - 1.3.8 references to “**Clauses**” and “**Schedules**” are, unless otherwise provided, references to the clauses and schedules of the Core Terms and references in any Schedule to parts, paragraphs, annexes and tables are, unless otherwise provided, references to the parts, paragraphs, annexes and tables of the Schedule in which these references appear;
 - 1.3.9 references to “**Paragraphs**” are, unless otherwise provided, references to the paragraph of the appropriate Schedules unless otherwise provided; and
 - 1.3.10 references to a series of Clauses or Paragraphs shall be inclusive of the clause numbers specified.
 - 1.3.11 the headings in the Contract are for ease of reference only and shall not affect

Schedule 1 (Definitions)

Crown Copyright 2023

the interpretation or construction of the Contract; and

1.3.12 where the Buyer is a Crown Body it shall be treated as contracting with the Crown as a whole.

1.4 Any reference in this Contract which immediately before IP Completion Day (or such later date when relevant EU law ceases to have effect pursuant to Section 1A of the European Union (Withdrawal) Act 2018) is a reference to (as it has effect from time to time):

1.4.1 any EU regulation, EU decision, EU tertiary legislation or provision of the EEA agreement ("**EU References**") which is to form part of domestic law by application of Section 3 of the European Union (Withdrawal) Act 2018 shall be read on and after IP Completion Day as a reference to the EU References as they form part of domestic law by virtue of Section 3 of the European Union (Withdrawal) Act 2018 as modified by domestic law from time to time; and

1.4.2 any EU institution or EU authority or other such EU body shall be read on and after IP Completion Day as a reference to the UK institution, authority or body to which its functions were transferred.

1.5 Where a standard, policy or document is referred to in this Contract by reference to a hyperlink, then if the hyperlink is changed or no longer provides access to the relevant standard, policy or document, the Supplier shall notify the Authority and the Parties shall update this Contract with a reference to the replacement hyperlink.

"Accounting Reference Date" means in each year the date to which the Supplier prepares its annual audited financial statements;

"Achieve"

- (a) in respect of a Test, to successfully pass a Test without any Test Issues; and
- (b) in respect of a Milestone, the issue of a Milestone Achievement Certificate in respect of that Milestone in accordance with the provisions of Schedule 14 (*Testing Procedures*),

and "**Achieved**" and "**Achievement**" shall be construed accordingly;

"Affected Party" the Party seeking to claim relief in respect of a Force Majeure Event;

"Affiliate" in relation to a body corporate, any other entity which directly or indirectly Controls, is Controlled by, or is under direct or indirect common Control with, that body corporate from time to time;

"Allowable Price" in relation to the Retained Deliverables relating to a CPP Milestone, if any, an amount determined in accordance with the formula:

$A - B$

where:

- (a) A is an amount equal to the Costs incurred by the Supplier in providing or developing the relevant Retained Deliverables as reflected in the Financial Model together with an amount equal to the Anticipated Contract Life Profit Margin thereon; and
- (b) B is an amount equal to the Allowable Price Adjustment relating to the relevant Retained Deliverables, if any, or if there is no such Allowable Price Adjustment, zero,

provided that the Allowable Price for any Retained Deliverables shall in no circumstances exceed the aggregate amount of the Milestone Payments paid to the Supplier in respect of the Milestones (or in the case of Partial Termination, the Milestones for the parts of the Services terminated) relating to that CPP Milestone;

“Allowable Price Adjustment” has the meaning given in Clause 32.8 (*Payments by the Supplier*);

“Annual Contract Report” has the meaning given in Schedule 19 (*Financial Reports and Audit Rights*);

“Annual Revenue” means, for the purposes of determining whether an entity is a Public Sector Dependent Supplier, the audited consolidated aggregate revenue (including share of revenue of joint ventures and Associates) reported by the Supplier or, as appropriate, the Supplier Group in its most recent published accounts, subject to the following methodology:

- (a) figures for accounting periods of other than 12 months should be scaled pro rata to produce a proforma figure for a 12 month period; and
- (b) where the Supplier, the Supplier Group and/or their joint ventures and Associates report in a foreign currency, revenue should be converted to British Pound Sterling at the closing exchange rate on the Accounting Reference Date;

“Anticipated Contract Life Profit Margin” has the meaning given in Schedule 15 (*Charges and Invoicing*);

“Approved Sub-Licensee” any of the following:

- (a) a Crown Body;
- (b) any third party providing services to a Crown Body; and/or

	(c) any body (including any private sector body) which performs or carries on any of the functions and/or activities that previously had been performed and/or carried on by the Authority;
“Assets”	all assets and rights used by the Supplier to provide the Services in accordance with this Contract but excluding the Authority Assets;
“Associated Person”	has the meaning given to it in Section 44(4) of the Criminal Finances Act 2017;
“Associates”	means, in relation to an entity, an undertaking in which the entity owns, directly or indirectly, between 20% and 50% of the voting rights and exercises a degree of control sufficient for the undertaking to be treated as an associate under generally accepted accounting principles;
“Assurance”	means written confirmation from a Relevant Authority to the Supplier that the CRP Information is approved by the Relevant Authority;
“ATP Milestone”	the Milestone linked to Authority to Proceed for the relevant Operational Services set out in the Implementation Plan;
“Audit”	any exercise by the Authority of its Audit Rights pursuant to Clause 12 (<i>Records, Reports, Audit and Open Book Data</i>) and Schedule 19 (<i>Financial Reports and Audit Rights</i>);
“Audit Agents”	<ul style="list-style-type: none">(a) the Authority’s internal and external auditors;(b) the Authority’s statutory or regulatory auditors;(c) the Comptroller and Auditor General, their staff and/or any appointed representatives of the National Audit Office;(d) HM Treasury or the Cabinet Office;(e) any party formally appointed by the Authority to carry out audit or similar review functions; and(f) successors or assigns of any of the above;
“Audit Rights”	the audit and access rights referred to in Schedule 19 (<i>Financial Reports and Audit Rights</i>);
“Authority Assets”	the Authority Materials, the Authority infrastructure and any other data, software, assets, equipment or other property owned by and/or licensed or leased to the Authority and which is or may

be used in connection with the provision or receipt of the Services;

- “Authority Background IPRs”**
- (a) IPRs owned by the Authority before the Effective Date, including IPRs contained in any of the Authority’s Know-How, documentation, processes and procedures;
 - (b) IPRs created by the Authority independently of this Contract; and/or
 - (c) Crown Copyright which is not available to the Supplier otherwise than under this Contract;

but excluding IPRs owned by the Authority subsisting in the Authority Software;

- “Authority Cause”**
- any material breach by the Authority of any of the Authority Responsibilities, except to the extent that such breach is:
- (a) the result of any act or omission by the Authority to which the Supplier has given its prior consent; or
 - (b) caused by the Supplier, any Sub-contractor or any Supplier Personnel;

- “Authority Data”**
- (a) the data, text, drawings, diagrams, images or sounds (together with any database made up of any of these) which are embodied in any electronic, magnetic, optical or tangible media, and which are:
 - (i) supplied to the Supplier by or on behalf of the Authority; and/or
 - (ii) which the Supplier is required to generate, process, store or transmit pursuant to this Contract; or
 - (b) any Personal Data for which the Authority is the Controller;

- “Authority IT Strategy”**
- the Authority’s IT policy in force as at the Effective Date (a copy of which has been supplied to the Supplier), as updated from time to time in accordance with the Change Control Procedure;

- “Authority Materials”**
- the Authority Data together with any materials, documentation, information, programs and codes supplied by the Authority to the Supplier, the IPRs in which:
- (a) are owned or used by or on behalf of the Authority; and
 - (b) are or may be used in connection with the provision or receipt of the Services,

	but excluding any Project Specific IPRs, Specially Written Software, Supplier Software, Third Party Software and Documentation relating to Supplier Software or Third Party Software;
“Authority Premises”	premises owned, controlled or occupied by the Authority and/or any Crown Body which are made available for use by the Supplier or its Sub-contractors for provision of the Services (or any of them);
“Authority Representative”	the representative appointed by the Authority pursuant to Clause 11.4 (<i>Representatives</i>);
“Authority Requirements”	the requirements of the Authority set out in Schedule 2 (<i>Services Description</i>), Schedule 3 (<i>Performance Levels</i>), Schedule 4 (<i>Standards</i>), Schedule 5 (<i>Security Management</i>), Schedule 6 (<i>Insurance Requirements</i>), Schedule 13 (<i>Implementation Plan</i>), Schedule 24 (<i>Reports and Records Provisions</i>), Schedule 25 (<i>Exit Management</i>), Schedule 26 (<i>Service Continuity Plan and Corporate Resolution Planning</i>) and Schedule 33: DWP Additional Requirements (Schedule 33: DWP Additional Requirements);
“Authority Responsibilities”	the responsibilities of the Authority specified in Schedule 7 (<i>Authority Responsibilities</i>);
“Authority Software”	software which is owned by or licensed to the Authority (other than under or pursuant to this Contract) and which is or will be used by the Supplier for the purposes of providing the Services;
“Authority System”	the Authority’s computing environment (consisting of hardware, software and/or telecommunications networks or equipment) used by the Authority or the Supplier in connection with this Contract which is owned by the Authority or licensed to it by a third party and which interfaces with the Supplier System or which is necessary for the Authority to receive the Services;
“Authority to Proceed” or “ATP”	the authorisation to the Supplier to commence the provision of the relevant Operational Services to the Authority, provided by the Authority in the form of a Milestone Achievement Certificate in respect of the ATP Milestone;
“Balanced Scorecard Report”	has the meaning given in Paragraph 1.1.2 of Part B of Schedule 3 (<i>Performance Levels</i>);
“Baseline Security Requirements”	the Authority’s baseline security requirements, substantially in the form of Schedule 5: Security Management (Schedule 5: Security Management);

“Board”	means the Supplier’s board of directors;
“Breakage Costs Payment”	has the meaning given in Schedule 16 (<i>Payments on Termination</i>);
“Business Line”	has the meaning given in Schedule 2: Services Description (Schedule 2: Services Description)
“Business Rules”	has the meaning given in Schedule 2: Services Description (Schedule 2: Services Description)
“Business Unit”	has the meaning given in Schedule 2: Services Description (Schedule 2: Services Description)
“Cabinet Office Markets and Suppliers Team”	means the UK Government’s team responsible for managing the relationship between government and its Strategic Suppliers, or any replacement or successor body carrying out the same function;
“Central Government Body”	<p>means a body listed in one of the following sub-categories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics, including:</p> <ul style="list-style-type: none"> (a) Government Departments; (b) Non-Departmental Public Bodies or Assembly Sponsored Public Bodies (advisory, executive, or tribunal); (c) Non-Ministerial Departments; or (d) Executive Agencies;
“Certificate of Costs”	has the meaning given in Schedule 15 (<i>Charges and Invoicing</i>);
“Change”	any change to this Contract;
“Change Authorisation Note”	a form setting out an agreed Contract Change which shall be substantially in the form of Annex 2: Impact Assessment

(FOR COMPLETION BY SUPPLIER)

Change Request No:	Contract Title & Contract Number:	Contracto
Contract Change Title:		Contract Change Implem

Full Details Of The Impact The Proposed Contract Change Will Have On The Delivery Of The Services And Your Ability To Meet Your Other Obligations Under The Contract
Any Additional Changes To This Contract That Will Be Required As A Result Of The Change – Including Any: <ol style="list-style-type: none"> 1. Service/Service Levels/Performance Levels 2. Format Of Authority Data 3. Timetable For The Implementation, Including Testing 4. Amendments To Contract Wording 5. Cost Of Implementing The Change – Ongoing/Increase/Decrease 6. Alteration In Resources – Estimated Volumes And Applicable Rates
Impact Assessment Completed By: (Name & Position In Organisation)
(For Completion By Dwp) Impact Assessment Approved By: (Name & Date)
Impact Assessment Rejected By: (Name & Date)
Reason For Rejection:

Annex 3: Change Authorisation Note;

“Change Control Procedure”

the procedure for changing this Contract set out in Schedule 22 (*Change Control Procedure*);

“Change in Law”

any change in Law which impacts on the performance of the Services which comes into force after the Effective Date;

“Change Request”

a written request for a Contract Change substantially in the form of Annex 1: Change Request Form (Annex 1: Change Request Form);

“Charges”	the charges for the provision of the Services set out in or otherwise calculated in accordance with Schedule 15 (<i>Charges and Invoicing</i>), including any Milestone Payment or Service Charge;
“Class 1 Transaction”	has the meaning set out in the listing rules issued by the UK Listing Authority;
“CNI”	means Critical National Infrastructure;
“Commercially Sensitive Information”	<p>the information listed in Schedule 9 (<i>Commercially Sensitive Information</i>) comprising the information of a commercially sensitive nature relating to:</p> <ul style="list-style-type: none"> (a) the pricing of the Services; (b) details of the Supplier’s IPRs; and (c) the Supplier’s business and investment plans; <p>which the Supplier has indicated to the Authority that, if disclosed by the Authority, would cause the Supplier significant commercial disadvantage or material financial loss;</p>
“Comparable Supply”	the supply of services to another customer of the Supplier that are the same or similar to any of the Services;
“Compensation for Unacceptable KPI Failure”	has the meaning given in Clause 7.4.1 (<i>Unacceptable KPI Failure</i>);
“Compensation Payment”	has the meaning given in Schedule 16 (<i>Payments on Termination</i>);
“Condition Precedent”	has the meaning given in Clause 4.2 (<i>Condition Precedent</i>);
“Confidential Information”	<ul style="list-style-type: none"> (a) Information, including all Personal Data, which (however it is conveyed) is provided by the Disclosing Party pursuant to or in anticipation of this Contract that relates to: <ul style="list-style-type: none"> (i) the Disclosing Party Group; or (ii) the operations, business, affairs, developments, intellectual property rights, trade secrets, know-how and/or personnel of the Disclosing Party Group; (b) other Information provided by the Disclosing Party pursuant to or in anticipation of this Contract that is clearly designated as being confidential or equivalent or

that ought reasonably to be considered to be confidential (whether or not it is so marked) which comes (or has come) to the Recipient's attention or into the Recipient's possession in connection with this Contract;

(c) discussions, negotiations, and correspondence between the Disclosing Party or any of its directors, officers, employees, consultants or professional advisers and the Recipient or any of its directors, officers, employees, consultants and professional advisers in connection with this Contract and all matters arising therefrom; and

(d) Information derived from any of the above,

but not including any Information which:

(i) was in the possession of the Recipient without obligation of confidentiality prior to its disclosure by the Disclosing Party;

(ii) the Recipient obtained on a non-confidential basis from a third party who is not, to the Recipient's knowledge or belief, bound by a confidentiality agreement with the Disclosing Party or otherwise prohibited from disclosing the information to the Recipient;

(iii) was already generally available and in the public domain at the time of disclosure otherwise than by a breach of this Contract or breach of a duty of confidentiality;

(iv) was independently developed without access to the Confidential Information; or

(v) relates to the Supplier's:

(1) performance under this Contract; or

(2) failure to pay any Sub-contractor as required pursuant to Clause 15.15(a) (*Supply Chain Protection*);

“Conflict of Interest” a conflict between the financial or personal duties of the Supplier or the Supplier Personnel and the duties owed to the Authority under the Contract, in the reasonable opinion of the Authority;

“Contract” the contract between the Authority and the Supplier;

“Contract Change” any change to this Contract other than an Operational Change;

“Contract Inception Report”	the initial financial model in a form agreed by the Supplier and the Authority in writing on or before the Effective Date;
“Contracts Finder”	the online government portal which allows suppliers to search for information about contracts as prescribed by Part 4 of the Public Contract Regulations 2015;
“Contract Year”	<p>(a) a period of 12 months commencing on the Effective Date; or</p> <p>(b) thereafter a period of 12 months commencing on each anniversary of the Effective Date;</p> <p>provided that the final Contract Year shall end on the expiry or termination of the Term;</p>
“Control”	the possession by person, directly or indirectly, of the power to direct or cause the direction of the management and policies of the other person (whether through the ownership of voting shares, by contract or otherwise) and “Controls” and “Controlled” shall be interpreted accordingly;
“Controller”	has the meaning given in the UK GDPR or the EU GDPR as the context requires;
“Corporate Change Event”	<p>means:</p> <p>(a) any change of Control of the Supplier or a Parent Undertaking of the Supplier;</p> <p>(b) any change of Control of any member of the Supplier Group which, in the reasonable opinion of the Authority, could have a material adverse effect on the Services;</p> <p>(c) any change to the business of the Supplier or any member of the Supplier Group which, in the reasonable opinion of the Authority, could have a material adverse effect on the Services;</p> <p>(d) a Class 1 Transaction taking place in relation to the shares of the Supplier or any Parent Undertaking of the Supplier whose shares are listed on the main market of the London Stock Exchange plc;</p> <p>(e) an event that could reasonably be regarded as being equivalent to a Class 1 Transaction taking place in respect of the Supplier or any Parent Undertaking of the Supplier;</p> <p>(f) payment of dividends by the Supplier or the ultimate Parent Undertaking of the Supplier Group exceeding 25% of the Net Asset Value of the Supplier or the ultimate</p>

	Parent Undertaking of the Supplier Group respectively in any 12 month period;
	(g) an order is made or an effective resolution is passed for the winding up of any member of the Supplier Group;
	(h) any member of the Supplier Group stopping payment of its debts generally or becoming unable to pay its debts within the meaning of section 123(1) of the Insolvency Act 1986 or any member of the Supplier Group ceasing to carry on all or substantially all its business, or any compromise, composition, arrangement or agreement being made with creditors of any member of the Supplier Group;
	(i) the appointment of a receiver, administrative receiver or administrator in respect of or over all or a material part of the undertaking or assets of any member of the Supplier Group; and/or
	(j) any process or events with an effect analogous to those in Paragraphs (e) to (g) inclusive above occurring to a member of the Supplier Group in a jurisdiction outside England and Wales;
“Corporate Change Event Grace Period”	means a grace period agreed to by the Relevant Authority for providing CRP Information and/or updates to Service Continuity Plan after a Corporate Change Event
“Corporate Resolvability Assessment (Structural Review)”	means part of the CRP Information relating to the Supplier Group to be provided by the Supplier in accordance with Paragraphs 2 and Annex 2: Corporate Resolvability Assessment (Structural Review) of Schedule 26 (<i>Service Continuity Plan and Corporate Resolution Planning</i>);
“Costs”	has the meaning given in Schedule 15 (<i>Charges and Invoicing</i>);
“CPP Milestone”	a contract performance point as set out in the Implementation Plan, being the Milestone at which the Supplier has demonstrated that the Supplier Solution or relevant Service is working satisfactorily in its operating environment in accordance with Schedule 14 (<i>Testing Procedures</i>);
“Critical National Infrastructure”	means those critical elements of UK national infrastructure (namely assets, facilities, systems, networks or processes and the essential workers that operate and facilitate them), the loss or compromise of which could result in: <ul style="list-style-type: none"> (a) major detrimental impact on the availability, integrity or delivery of essential services – including those services whose integrity, if compromised, could result in

	significant loss of life or casualties – taking into account significant economic or social impacts; and/or
	(b) significant impact on the national security, national defence, or the functioning of the UK;
“Critical Performance Failure”	<p>(a) the Supplier accruing in aggregate 28 or more Service Points (in terms of the number of points allocated) in any period of 3 months; or</p> <p>(b) the Supplier accruing Service Credits or Compensation for Unacceptable KPI Failure which meet or exceed the Service Credit Cap;</p>
“Critical Service Contract”	means the overall status of the Services provided under this Contract as determined by the Authority and specified in Paragraph 1.1 of Part B to Schedule 26 (<i>Service Continuity Plan and Corporate Resolution Planning</i>);
“Crown Body”	means the government of the United Kingdom (including the Northern Ireland Assembly and Executive Committee, the Scottish Government and the Welsh Government), including government ministers and government departments and particular bodies, persons, commissions or agencies from time to time carrying out functions on its behalf;
“Crown Copyright”	has the meaning given in the Copyright, Designs and Patents Act 1988
“CRP Information”	<p>means the Corporate Resolution Planning Information, together, the:</p> <p>(a) Exposure Information (Contracts List);</p> <p>(b) Corporate Resolvability Assessment (Structural Review); and</p> <p>(c) Financial Information and Commentary</p>
“CRTPA”	the Contracts (Rights of Third Parties) Act 1999;
“Data Loss Event”	any event that results, or may result, in unauthorised access to Personal Data held by the Supplier under this Contract, and/or actual or potential loss and/or destruction of Personal Data in breach of this Contract, including any Personal Data Breach;
“Data Protection Impact Assessment”	an assessment by the Controller of the impact of the envisaged processing on the protection of Personal Data;

“Data Protection Legislation”	<ul style="list-style-type: none"> (a) the UK GDPR; (b) the DPA 2018 to the extent that it relates to processing of personal data and privacy; (c) all applicable Law about the processing of personal data and privacy; and (d) (to the extent that it applies) the EU GDPR;
“Data Subject”	has the meaning given to it in the UK GDPR or the EU GDPR as the context requires;
“Data Subject Request”	a request made by, or on behalf of, a Data Subject in accordance with rights granted pursuant to the Data Protection Legislation to their Personal Data;
“Deductions”	all Service Credits, Compensation for Unacceptable KPI Failure or any other deduction which is paid or payable to the Authority under this Contract;
“Default”	<p>any breach of the obligations of the relevant Party (including abandonment of this Contract in breach of its terms, repudiatory breach or breach of a fundamental term) or any other default, act, omission, negligence or statement:</p> <ul style="list-style-type: none"> (a) in the case of the Authority, of its employees, servants, agents; or (b) in the case of the Supplier, of its Sub-contractors or any Supplier Personnel, <p>in connection with or in relation to the subject-matter of this Contract and in respect of which such Party is liable to the other;</p>
“Defect”	<ul style="list-style-type: none"> (a) any error, damage or defect in the manufacturing of a Deliverable; or (b) any error or failure of code within the Software which causes a Deliverable to malfunction or to produce unintelligible or incorrect results; or (c) any failure of any Deliverable to provide the performance, features and functionality specified in the Authority Requirements or the Documentation (including any adverse effect on response times) regardless of whether or not it prevents the relevant Deliverable from meeting its associated Test Success Criteria; or (d) any failure of any Deliverable to operate in conjunction with or interface with any other Deliverable in order to provide the performance, features and functionality

	specified in the Authority Requirements or the Documentation (including any adverse effect on response times) regardless of whether or not it prevents the relevant Deliverable from meeting its associated Test Success Criteria;
“Delay”	<p>(a) a delay in the Achievement of a Milestone by its Milestone Date; or</p> <p>(b) a delay in the design, development, testing or implementation of a Deliverable by the relevant date set out in the Implementation Plan;</p>
“Deliverable”	an item, feature or software delivered or to be delivered by the Supplier at or before a Milestone Date or at any other stage during the performance of this Contract;
“Dependent Parent Undertaking”	means any Parent Undertaking which provides any of its Subsidiary Undertakings and/or Associates, whether directly or indirectly, with any financial, trading, managerial or other assistance of whatever nature, without which the Supplier would be unable to continue the day to day conduct and operation of its business in the same manner as carried on at the time of entering into this Contract, including for the avoidance of doubt the provision of the Services in accordance with the terms of this Contract;
“Detailed Implementation Plan”	the plan developed and revised from time to time in accordance with Paragraphs 3 and 4 of Schedule 13 (<i>Implementation Plan</i>);
“Digital Mailroom”	has the meaning given in Schedule 2 (Services Description)
“Disclosing Party”	has the meaning given in Clause 19.1 (<i>Confidentiality</i>);
“Disclosing Party Group”	<p>(a) where the Disclosing Party is the Supplier, the Supplier and any Affiliates of the Supplier; and</p> <p>(b) where the Disclosing Party is the Authority, the Authority and any Crown Body with which the Authority or the Supplier interacts in connection with this Contract;</p>
“Dispute”	any dispute, difference or question of interpretation arising out of or in connection with this Contract, including any dispute, difference or question of interpretation relating to the Services, failure to agree in accordance with the Change Control Procedure or any matter where this Contract directs the Parties to resolve an issue by reference to the Dispute Resolution Procedure;

“Dispute Notice”	a written notice served by one Party on the other stating that the Party serving the notice believes that there is a Dispute;
“Dispute Resolution Procedure”	the dispute resolution procedure set out in Schedule 23 (<i>Dispute Resolution Procedure</i>);
“Document”	an item received by the Supplier within an envelope, courier polylope or via local scanning, for processing under the terms of this Contract. There may be multiple Documents contained within an envelope or courier polylope. Documents may include bankable and non-bankable valuables.
“Documentation”	<p>descriptions of the Services and Performance Indicators, details of the Supplier System (including (i) vendors and versions for off-the-shelf components and (ii) source code and build information for proprietary components), relevant design and development information, technical specifications of all functionality including those not included in standard manuals (such as those that modify system performance and access levels), configuration details, test scripts, user manuals, operating manuals, process definitions and procedures, and all such other documentation as:</p> <ul style="list-style-type: none">(a) is required to be supplied by the Supplier to the Authority under this Contract;(b) would reasonably be required by a competent third party capable of Good Industry Practice contracted by the Authority to develop, configure, build, deploy, run, maintain, upgrade and test the individual systems that provide Services;(c) is required by the Supplier in order to provide the Services; and/or(d) has been or shall be generated for the purpose of providing the Services;
“DOTAS”	the Disclosure of Tax Avoidance Schemes rules which require a promoter of tax schemes to tell HMRC of any specified notifiable arrangements or proposals and to provide prescribed information on those arrangements or proposals within set time limits as contained in Part 7 of the Finance Act 2004 and in secondary legislation made under vires contained in Part 7 of the Finance Act 2004 and as extended to national insurance contributions by the National Insurance Contributions (Application of Part 7 of the Finance Act 2004) Regulations 2012, SI 2012/1868) made under section 132A of the Social Security Administration Act 1992;

“DPA 2018”	the Data Protection Act 2018;
“Due Diligence Information”	any information supplied to the Supplier by or on behalf of the Authority prior to the Effective Date;
“EEA”	European Economic Area
“Effective Date”	<p>the later of:</p> <ul style="list-style-type: none">(a) the date on which this Contract is signed by both Parties; and(b) the date on which the Condition Precedent has been satisfied or waived in accordance with Clause 4.2 (<i>Condition Precedent</i>);
“EIRs”	the Environmental Information Regulations 2004, together with any guidance and/or codes of practice issued by the Information Commissioner or any Crown Body in relation to such Regulations;
“Emergency Maintenance”	<p>ad hoc and unplanned maintenance provided by the Supplier where:</p> <ul style="list-style-type: none">(a) the Authority reasonably suspects that the IT Environment or the Services, or any part of the IT Environment or the Services, has or may have developed a fault, and notifies the Supplier of the same; or(b) the Supplier reasonably suspects that the IT Environment or the Services, or any part the IT Environment or the Services, has or may have developed a fault;
“Employee Liabilities”	<p>all claims, actions, proceedings, orders, demands, complaints, investigations (save for any claims for personal injury which are covered by insurance) and any award, compensation, damages, tribunal awards, fine, loss, order, penalty, disbursement, payment made by way of settlement and costs, expenses and legal costs reasonably incurred in connection with a claim or investigation related to employment including in relation to the following:</p> <ul style="list-style-type: none">(a) redundancy payments including contractual or enhanced redundancy costs, termination costs and notice payments;(b) unfair, wrongful or constructive dismissal compensation;(c) compensation for discrimination on grounds of sex, race, disability, age, religion or belief, gender reassignment,

	marriage or civil partnership, pregnancy and maternity or sexual orientation or claims for equal pay;
	(d) compensation for less favourable treatment of part-time workers or fixed term employees;
	(e) outstanding employment debts and unlawful deduction of wages including any PAYE and national insurance contributions;
	(f) employment claims whether in tort, contract or statute or otherwise;
	(g) any investigation relating to employment matters by the Equality and Human Rights Commission or other enforcement, regulatory or supervisory body and of implementing any requirements which may arise from such investigation;
“Employment Regulations”	the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246) as amended or replaced;
“Equipment Transfer Date”	has the meaning given in Clause 9.8 (Transferring Authority Equipment);
“Estimated Year 1 Charges”	the estimated Charges payable by the Authority during the first Contract Year, as set out in the Financial Model;
“Estimated Initial Service Charges”	the estimated Service Charges payable by the Authority during the period of 12 months from the first Operational Service Commencement Date, as set out in the Financial Model;
“EU GDPR”	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) as it has effect in EU law;
“EU”	European Union
“Exit Management”	services, activities, processes and procedures to ensure a smooth and orderly transition of all or part of the Services from the Supplier to the Authority and/or a Replacement Supplier, as set out or referred to in Schedule 25 (<i>Exit Management</i>);
“Exit Plan”	the plan produced and updated by the Supplier during the Term in accordance with Paragraph 4 of Schedule 25 (<i>Exit Management</i>);

“Expedited Dispute Timetable”	the reduced timetable for the resolution of Disputes set out in Paragraph 3 of Schedule 23 (<i>Dispute Resolution Procedure</i>);
“Expert”	has the meaning given in Schedule 23 (<i>Dispute Resolution Procedure</i>);
“Expert Determination”	the process described in Paragraph 6 of Schedule 23 (<i>Dispute Resolution Procedure</i>);
“Exposure Information (Contracts List)”	means part of the CRP Information relating to the Supplier Group to be provided by the Supplier in accordance with Paragraph 2 and Annex 1 of Part B of Schedule 26 (<i>Service Continuity Plan and Corporate Resolution Planning</i>);
“Extension Period”	a period of up to 24 Months’ from the end of the Initial Term;
“FIMS”	has the meaning given in Schedule 2: Services Description (<i>Schedule 2: Services Description</i>);
“Financial Distress Event”	the occurrence of one or more of the events listed in Paragraph 3.1 and/or 4.1 of Schedule 18 (<i>Financial Distress</i>);
“Financial Information and Commentary”	means part of the CRP Information requirements set out in accordance with Paragraph 2 and Annex 3 of Part B of Schedule 26 (<i>Service Continuity Plan and Corporate Resolution Planning</i>);
“Financial Distress Remediation Plan”	a plan setting out how the Supplier will ensure the continued performance and delivery of the Services in accordance with this Contract in the event that a Financial Distress Event occurs. This plan should include what the Authority would need to put in place to ensure performance and delivery of the Services in accordance with this Contract up to and including any Insolvency Event in respect of the relevant FDE Group entity and may refer to the Insolvency Continuity Plan in this regard;
“Financial Model”	has the meaning given in Schedule 19 (<i>Financial Reports and Audit Rights</i>);
“Financial Reports”	has the meaning given in Schedule 19 (<i>Financial Reports and Audit Rights</i>);
“Financial Transparency Objectives”	has the meaning given in Schedule 19 (<i>Financial Reports and Audit Rights</i>);
“FOIA”	the Freedom of Information Act 2000 and any subordinate legislation made under that Act from time to time, together with any guidance and/or codes of practice issued by the Information

Commissioner or any relevant Crown Body in relation to such Act;

“Force Majeure Event”	any event outside the reasonable control of either Party affecting its performance of its obligations under this Contract arising from acts, events, omissions, happenings or non-happenings beyond its reasonable control and which are not attributable to any wilful act, neglect or failure to take reasonable preventative action by that Party, including riots, war or armed conflict, acts of terrorism, acts of government, local government or regulatory bodies, fire, flood, storm or earthquake, or other natural disaster but excluding any industrial dispute relating to the Supplier or the Supplier Personnel or any other failure in the Supplier’s or a Sub-contractor’s supply chain;
“Force Majeure Notice”	a written notice served by the Affected Party on the other Party stating that the Affected Party believes that there is a Force Majeure Event;
“Former Supplier”	has the meaning given in Schedule 28 (<i>Staff Transfer</i>);
“General Anti-Abuse Rule”	<ul style="list-style-type: none">(a) the legislation in Part 5 of the Finance Act 2013; and(b) any future legislation introduced into Parliament to counteract tax advantages arising from abusive arrangements to avoid national insurance contributions;
“General Change in Law”	a Change in Law where the change is of a general legislative nature (including taxation or duties of any sort affecting the Supplier) or which affects or relates to a Comparable Supply;
“Good Industry Practice”	at any time the exercise of that degree of care, skill, diligence, prudence, efficiency, foresight and timeliness which would be reasonably expected at such time from a leading and expert supplier of services similar to the Services to a customer like the Authority, such supplier seeking to comply with its contractual obligations in full and complying with applicable Laws;
“Goods”	has the meaning given in Clause 9.7 (<i>Supply of Goods</i>);
“Guarantee”	the deed of guarantee in favour of the Authority entered into by the Guarantor on or about the date of this Contract (which is in the form set out in Schedule 30: Deed of Guarantee Schedule 30: Deed of Guarantee) (<i>Key Personnel</i>), or any guarantee acceptable to the Authority that replaces it from time to time;

“Guarantor”	[Redacted] , a company registered in the United Kingdom with company number [Redacted] and whose registered office is at [Redacted] ;
“Halifax Abuse Principle”	the principle explained in the CJEU Case C-255/02 Halifax and others;
“Health and Safety Policy”	the health and safety policy of the Authority and/or other relevant Crown Body as provided to the Supplier on or before the Effective Date and as subsequently provided to the Supplier from time to time except any provision of any such subsequently provided policy that cannot be reasonably reconciled to ensuring compliance with applicable Law regarding health and safety;
“HMRC”	HM Revenue & Customs;
“Impact Assessment”	has the meaning given in Schedule 22 (<i>Change Control Procedure</i>);
“Implementation Plan”	the Outline Implementation Plan or (if and when approved by the Authority pursuant to Paragraph 3 of Schedule 13 (<i>Implementation Plan</i>)) the Detailed Implementation Plan as updated in accordance with Paragraph 4 of Schedule 13 (<i>Implementation Plan</i>) from time to time;
“Implementation Services”	the implementation services described as such in the Services Description;
“Implementation Services Commencement Date”	the date on which the Supplier is to commence provision of the first of the Services, being 30 July 2024;
“Indemnified Person”	the Authority and each and every person to whom the Authority (or any direct or indirect sub-licensee of the Authority) sub-licenses, assigns or novates any Relevant IPRs or rights in Relevant IPRs in accordance with this Contract;
“Independent Controller”	a party which is Controller of the same Personal Data as the other Party and there is no element of joint control with regards to that Personal Data;
“Information”	all information of whatever nature, however conveyed and in whatever form, including in writing, orally, by demonstration, electronically and in a tangible, visual or machine-readable medium (including CD-ROM, magnetic and digital form);
“Initial Term”	the period of 6 years from and including the Effective Date;

“Initial Upload Date”	means the occurrence of an event detailed in Schedule 24 (<i>Reports and Records Provisions</i>) Annex 3: <i>Records To Upload To Virtual Library</i>) which requires the Supplier to provide its initial upload of the relevant information to the Virtual Library;
“Innovation Initiative(s)”	has the meaning given in Paragraph 15.1 of Schedule 2 (Services Description)
“Insolvency Event”	<p>with respect to any person, means:</p> <ul style="list-style-type: none">(a) that person suspends, or threatens to suspend, payment of its debts, or is unable to pay its debts as they fall due or admits inability to pay its debts, or:<ul style="list-style-type: none">(i) (being a company or a LLP) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986, or(ii) (being a partnership) is deemed unable to pay its debts within the meaning of section 222 of the Insolvency Act 1986;(b) that person commences negotiations with one or more of its creditors (using a voluntary arrangement, scheme of arrangement or otherwise) with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with one or more of its creditors or takes any step to obtain a moratorium pursuant to Section 1A and Schedule A1 of the Insolvency Act 1986 other than (in the case of a company, a LLP or a partnership) for the sole purpose of a scheme for a solvent amalgamation of that person with one or more other companies or the solvent reconstruction of that person;(c) another person becomes entitled to appoint a receiver over the assets of that person or a receiver is appointed over the assets of that person;(d) a creditor or encumbrancer of that person attaches or takes possession of, or a distress, execution or other such process is levied or enforced on or sued against, the whole or any part of that person’s assets and such attachment or process is not discharged within fourteen (14) days;(e) that person suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business;(f) where that person is a company, a LLP or a partnership:

- (i) a petition is presented (which is not dismissed within fourteen (14) days of its service), a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of that person other than for the sole purpose of a scheme for a solvent amalgamation of that person with one or more other companies or the solvent reconstruction of that person;
 - (ii) an application is made to court, or an order is made, for the appointment of an administrator, or if a notice of intention to appoint an administrator is filed at Court or given or if an administrator is appointed, over that person;
 - (iii) (being a company or a LLP) the holder of a qualifying floating charge over the assets of that person has become entitled to appoint or has appointed an administrative receiver; or
 - (iv) (being a partnership) the holder of an agricultural floating charge over the assets of that person has become entitled to appoint or has appointed an agricultural receiver; or
 - (g) any event occurs, or proceeding is taken, with respect to that person in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned above;
- “Intellectual Property Rights” or “IPRs”**
- (a) copyright, rights related to or affording protection similar to copyright, rights in databases, patents and rights in inventions, semi-conductor topography rights, trade marks, rights in Internet domain names and website addresses and other rights in trade names, designs, Know-How, trade secrets and other rights in Confidential Information;
 - (b) applications for registration, and the right to apply for registration, for any of the rights listed at (a) that are capable of being registered in any country or jurisdiction; and
 - (c) all other rights having equivalent or similar effect in any country or jurisdiction;
- “International Labour Organisation”**
- a United Nations agency established to advance social and economic justice by setting international labour standards;

“Intervention Cause”	has the meaning given in Clause 27.1 (<i>Remedial Adviser</i>);
“Intervention Notice”	has the meaning given in Clause 27.1 (<i>Remedial Adviser</i>);
“Intervention Period”	has the meaning given in Clause 27.2(c) (<i>Remedial Adviser</i>);
“Intervention Trigger Event”	<ul style="list-style-type: none"> (a) any event falling within limb (a), (b), (c), (e), (f) or (g) of the definition of a Supplier Termination Event; (b) a Default by the Supplier that is materially preventing or materially delaying the performance of the Services or any material part of the Services; (c) the Supplier accruing in aggregate 21 or more Service Points (in terms of the number of points allocated) in any period of 3 months; and/or (d) the Supplier accruing Service Credits which meet or exceed 75% of the Service Credit Cap;
“IP Completion Day”	has the meaning given to it in the European Union (Withdrawal Agreement) Act 2020;
“IPRs Claim”	any claim against any Indemnified Person of infringement or alleged infringement (including the defence of such infringement or alleged infringement) of any Relevant IPRs save for any such claim to the extent that it is caused by any use by or on behalf of that Indemnified Person of any Relevant IPRs, or the use of the Authority Software by or on behalf of the Supplier, in either case in combination with any item not supplied or recommended by the Supplier pursuant to this Contract or for a purpose not reasonably to be inferred from the Services Description or the provisions of this Contract;
“IT”	information and communications technology;
“ITHC”	IT Health Check
“IT Environment”	the Authority System and the Supplier System;
“Joint Controllers”	has the meaning given in Article 26 of the UK GDPR, or EU GDPR, as the context requires;
“Key Performance Indicator”	the key performance indicators set out in Table 1 of Part A of Annex 1 of Schedule 3 (<i>Performance Levels</i>);
“Key Personnel”	those persons appointed by the Supplier to fulfil the Key Roles, being the persons listed in Schedule 29 (<i>Key Personnel</i>) against each Key Role as at the Effective Date or as amended from time

	to time in accordance with Clauses 14.5 and 14.6 (<i>Key Personnel</i>);
“Key Roles”	a role described as a Key Role in Schedule 29 (<i>Key Personnel</i>) and any additional roles added from time to time in accordance with Clause 14.4 (<i>Key Personnel</i>);
“Key Sub-contract”	each Sub-contract with a Key Sub-contractor;
“Key Sub-contractor”	any Sub-contractor: <ul style="list-style-type: none"> (a) which, in the opinion of the Authority, performs (or would perform if appointed) a critical role in the provision of all or any part of the Services; and/or (b) with a Sub-contract with a contract value which at the time of appointment exceeds (or would exceed if appointed) 10% of the aggregate Charges forecast to be payable under this Contract (as set out in the Financial Model);
“Know-How”	all ideas, concepts, schemes, information, knowledge, techniques, methodology, and anything else in the nature of know how relating to the Services but excluding know how already in the other Party’s possession before this Contract;
“KPI Failure”	a failure to meet the Target Performance Level in respect of a Key Performance Indicator;
“KPI Scorecard”	means a performance monitoring document, built within the Authority’s e-sourcing suite
“KPI Service Threshold”	shall be as set out against the relevant Key Performance Indicator in Table 1 of Part A of Annex 1 of Schedule 3 (<i>Performance Levels</i>);
“Law”	any law, statute, subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, bye-law, right within the meaning of the European Union (Withdrawal) Act 2018 as amended by European Union (Withdrawal Agreement) Act 2020, regulation, order, regulatory policy, mandatory guidance or code of practice, judgment of a relevant court of law, or directives or requirements of any regulatory body with which the Supplier is bound to comply;
“LED”	Law Enforcement Directive (Directive (EU) 2016/680);
“Licensed Software”	all and any Software licensed by or through the Supplier, its Sub-contractors or any third party to the Authority for the purposes of or pursuant to this Contract, including any Supplier

	Software, Third Party Software and/or any Specially Written Software;
“Liquidation”	means the appointment of a Liquidator who collects in and distributes the company's assets and dissolves the company. The company can also be put into provisional Liquidation before a final winding up order is granted;
“Losses”	losses, liabilities, damages, costs and expenses (including legal fees on a solicitor/client basis) and disbursements and costs of investigation, litigation, settlement, judgment interest and penalties whether arising in contract, tort (including negligence), breach of statutory duty or otherwise;
“Maintenance Schedule”	shall have the meaning set out in Clause 9.4 (<i>Maintenance</i>);
“Malicious Software”	any software program or code intended to destroy, interfere with, corrupt, or cause undesired effects on program files, data or other information, executable code or application software macros, whether or not its operation is immediate or delayed, and whether the malicious software is introduced wilfully, negligently or without knowledge of its existence;
“Management Information”	the management information specified in Schedule 3 (<i>Performance Levels</i>), Schedule 15 (<i>Charges and Invoicing</i>) and Schedule 21 (<i>Governance</i>) to be provided by the Supplier to the Authority;
“Master Contract Document” or “MCD”	the signed Contract documentation as stored within the Authority's e-sourcing platform
“Material KPI Failure”	(a) a Serious KPI Failure; (b) a Severe KPI Failure; or (c) a failure by the Supplier to meet a KPI Service Threshold;
“Material Non-Payment”	means any undisputed and properly invoiced sums due for payment by the Supplier to a Key Sub-contractor which if not paid would be reasonably likely to have a material adverse effect on the Key Sub-contractor's ability to perform its obligations under its Key Sub-contract;
“Material PI Failure”	(a) a failure by the Supplier to meet the PI Service Threshold in respect of 25% or more of the Subsidiary Performance Indicators that are measured in that Service Period; and/or

	(b) a failure by the Supplier to meet the Target Performance Level in respect of 50% or more of the Subsidiary Performance Indicators that are measured in that Service Period;
“Measurement Period”	in relation to a Key Performance Indicator or Subsidiary Performance Indicator, the period over which the Supplier's performance is measured (for example, a Service Period if measured monthly or a 12-month period if measured annually);
“Milestone”	an event or task described in the Implementation Plan which, if applicable, shall be completed by the relevant Milestone Date;
“Milestone Achievement Certificate”	the certificate to be granted by the Authority when the Supplier has Achieved a Milestone, which shall be in substantially the same form as that set out in Annex 3 of Schedule 14 (<i>Testing Procedures</i>);
“Milestone Adjustment Payment Amount”	<p>in respect of each CPP Milestone the subject of a Milestone Adjustment Payment Notice, an amount determined in accordance with the formula:</p> $A - B$ <p>where:</p> <p>(a) A is an amount equal to the aggregate sum of all Milestone Payments paid to the Supplier in respect of the Milestones (or in the case of Partial Termination, the Milestones for the parts of the Services terminated) relating to that CPP Milestone; and</p> <p>(b) B is an amount equal to the aggregate Allowable Price for the Retained Deliverables relating to that CPP Milestone or, if there are no such Retained Deliverables, zero;</p>
“Milestone Adjustment Payment Notice”	has the meaning given in Clause 32.7 (<i>Payments by the Supplier</i>);
“Milestone Date”	the target date set out against the relevant Milestone in the Implementation Plan by which the Milestone must be Achieved;
“Milestone Payment”	a payment identified in Schedule 15 (<i>Charges and Invoicing</i>) to be made following the issue of a Milestone Achievement Certificate;
“Milestone Retention”	has the meaning given in Schedule 15 (<i>Charges and Invoicing</i>);

“Minor KPI Failure”	shall be as set out against the relevant Key Performance Indicator in Table 1 of Part A of Annex 1 of Schedule 3 (<i>Performance Levels</i>);
“Modern Slavery Assessment Tool”	means the modern slavery risk identification and management tool which can be found online at: https://supplierregistration.cabinetoffice.gov.uk/msat
“Month”	a calendar month and “monthly” shall be interpreted accordingly;
“Multi-Party Dispute Resolution Procedure”	has the meaning given in Paragraph 9.1 of Schedule 28 (<i>Staff Transfer</i>) of Schedule 23 (<i>Dispute Resolution Procedure</i>);
“Multi-Party Procedure Initiation Notice”	has the meaning given in Paragraph 9.2 of Schedule 23 (<i>Dispute Resolution Procedure</i>);
“NCSC”	the National Cyber Security Centre or any replacement or successor body carrying out the same function;
“New Releases”	an item produced primarily to extend, alter or improve the Software and/or any Deliverable by providing additional functionality or performance enhancement (whether or not defects in the Software and/or Deliverable are also corrected) while still retaining the original designated purpose of that item;
“Non-trivial Customer Base”	a significant customer base with respect to the date of first release and the relevant market but excluding Affiliates and other entities related to the licensor;
“Non-retained Deliverables”	in relation to a CPP Milestone Payment Notice and each CPP Milestone the subject of that CPP Milestone Payment Notice, Deliverables provided to the Authority which relate to the relevant CPP Milestone(s) and which are not Retained Deliverables;
“Notifiable Default”	shall have the meaning given in Clause 25.1 (<i>Rectification Plan Process</i>);
“Object Code”	software and/or data in machine-readable, compiled object code form;
“Occasion of Tax Non-Compliance”	<p>(a) any tax return of the Supplier submitted to a Relevant Tax Authority on or after 1 October 2012 is found on or after 1 April 2013 to be incorrect as a result of:</p> <p>(i) a Relevant Tax Authority successfully challenging the Supplier under the General Anti-Abuse Rule or the Halifax Abuse Principle or under any tax</p>

	rules or legislation that have an effect equivalent or similar to the General Anti-Abuse Rule or the Halifax Abuse Principle;
	(ii) the failure of an avoidance scheme which the Supplier was involved in, and which was, or should have been, notified to a Relevant Tax Authority under the DOTAS or any equivalent or similar regime; and/or
	(b) any tax return of the Supplier submitted to a Relevant Tax Authority on or after 1 October 2012 gives rise on or after 1 April 2013 to a criminal conviction in any jurisdiction for tax related offences which is not spent at the Effective Date or to a civil penalty for fraud or evasion;
“Open Book Data”	has the meaning given in Schedule 19 (<i>Financial Reports and Audit Rights</i>);
“Open Licence”	means any material that is published for use, with rights to access, copy and modify and publish, by any person for free, under a generally recognised open licence including Open Government Licence as set out at http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/ and the Open Standards Principles documented at https://www.gov.uk/government/publications/open-standards-principles/open-standards-principles , and includes the Open Source publication of Software;
“Open Source”	computer Software that is released on the internet for use by any person, such release usually being made under a recognised open source licence and stating that it is released as open source;
“Operating Environment”	the Authority System and the Sites;
“Operational Change”	any change in the Supplier’s operational procedures which in all respects, when implemented: <ul style="list-style-type: none"> (a) will not affect the Charges and will not result in any other costs to the Authority; (b) may change the way in which the Services are delivered but will not adversely affect the output of the Services or increase the risks in performing or receiving the Services;

	(c) will not adversely affect the interfaces or interoperability of the Services with any of the Authority's IT infrastructure; and
	(d) will not require a change to this Contract;
"Operational Service Commencement Date"	in relation to an Operational Service, the later of: <ul style="list-style-type: none"> (a) the dates on which the Supplier is to commence provision of the Operational Services, in accordance with the dates described in the Implementation Plan; and (b) where the Implementation Plan states that the Supplier must have Achieved the relevant ATP Milestone before it can commence the provision of that Operational Service, the date upon which the Supplier Achieves the relevant ATP Milestone;
"Operational Services"	the operational services described as such in the Services Description;
"Other Supplier"	any supplier to the Authority (other than the Supplier) which is notified to the Supplier from time to time;
"Outline Implementation Plan"	the outline plan set out at Annex A of Schedule 13 (<i>Implementation Plan</i>);
"Parent Undertaking"	has the meaning set out in section 1162 of the Companies Act 2006;
"Partial Termination"	the partial termination of this Contract to the extent that it relates to the provision of any part of the Services as further provided for in Clause 31.2(b) (<i>Termination by the Authority</i>) or 31.3(b) (<i>Termination by the Supplier</i>) or otherwise by mutual agreement by the Parties;
"Parties" and "Party"	have the meanings respectively given on page 1 of this Contract;
"Performance Failure"	a KPI Failure or a PI Failure;
"Performance Indicators"	the Key Performance Indicators and the Subsidiary Performance Indicators;
"Permitted Maintenance"	has the meaning given in Clause 9.4 (<i>Maintenance</i>);

“Performance Monitoring Report”	has the meaning given in Schedule 3 (<i>Performance Levels</i>);
“Personal Data”	has the meaning given in the UK GDPR or the EU GDPR as the context requires;
“Personal Data Breach”	has the meaning given in the UK GDPR or the EU GDPR as the context requires;
“PI Failure”	a failure to meet the Target Performance Level in respect of a Subsidiary Performance Indicator;
“PI Service Threshold”	shall be as set out against the relevant Subsidiary Performance Indicator in Table 2 in Part A of Annex 1 of Schedule 3 (<i>Performance Levels</i>);
“Preceding Services”	has the meaning given in Clause 5.2(b) (<i>Standard of Services</i>);
“Prescribed Person”	a legal adviser, an MP, or an appropriate body which a whistle-blower may make a disclosure to as detailed in ‘Whistleblowing: list of prescribed people and bodies’, available online at: https://www.gov.uk/government/publications/blowing-the-whistle-list-of-prescribed-people-and-bodies-2/whistleblowing-list-of-prescribed-people-and-bodies , as updated from time to time;
“Processor”	has the meaning given to it under the UK GDPR or the EU GDPR as the context requires;
“Processor Personnel”	means all directors, officers, employees, agents, consultants and suppliers of the Processor and/or of any Sub-processor engaged in the performance of its obligations under this Contract;
“Profit Warning Event”	any event that leads to a warning being issued by the Supplier to shareholders and the public that its earnings results will not meet analyst expectations
“Prohibited Act”	<p>(a) to directly or indirectly offer, promise or give any person working for or engaged by the Authority a financial or other advantage to:</p> <p>(i) induce that person to perform improperly a relevant function or activity; or</p> <p>(ii) reward that person for improper performance of a relevant function or activity;</p> <p>(b) to directly or indirectly request, agree to receive or accept any financial or other advantage as an inducement or a</p>

reward for improper performance of a relevant function or activity in connection with this Contract;

- (c) an offence:
 - (i) under the Bribery Act 2010 (or any legislation repealed or revoked by such Act);
 - (ii) under legislation or common law concerning fraudulent acts; or
 - (iii) defrauding, attempting to defraud or conspiring to defraud the Authority (including offences by the Supplier under Part 3 of the Criminal Finances Act 2017); or
- (d) any activity, practice or conduct which would constitute one of the offences listed under (c) above if such activity, practice or conduct had been carried out in the UK;

“Protective Measures” appropriate technical and organisational measures designed to ensure compliance with obligations of the Parties arising under Data Protection Legislation which may include: pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of the such measures adopted by it, including those outlined in Schedule 5 (*Security Management*);

“Project Specific IPRs” (a) Intellectual Property Rights in items created by the Supplier (or by a third party on behalf of the Supplier) specifically for the purposes of this Contract and updates and amendments of these items including (but not limited to) database schema; and/or

(b) Intellectual Property Rights arising as a result of the performance of the Supplier’s obligations under this Contract;

but shall not include the Supplier Background IPRs or the Specially Written Software;

“Public Sector Dependent Supplier” means a supplier where that supplier, or that supplier’s group has Annual Revenue of £50 million or more of which over 50% is generated from UK Public Sector Business;

“Publishable Performance Information” means any of the information in the Performance Monitoring Report as it relates to a Performance Indicator where it is

expressed as publishable in the table in Annex 1 which shall not constitute Commercially Sensitive Information;

“Quality Plans”	has the meaning given in Clause 6.1 (<i>Quality Plans</i>);
“Quarter”	the first three Service Periods and each subsequent three Service Periods (save that the final Quarter shall end on the date of termination or expiry of this Contract);
“Recipient”	has the meaning given in Clause 19.1 (<i>Confidentiality</i>);
“Recall”	a request by the Supplier to return Goods to the Supplier or the manufacturer after the discovery of safety issues or defects (including defects in the IPR rights) that might endanger health or hinder performance;
“Record(s)”	has the meaning given in Schedule 2: Services Description (<i>Schedule 2: Services Description</i>)
“Rectification Plan”	a plan to address the impact of, and prevent the reoccurrence of, a Notifiable Default;
“Rectification Plan Failure”	<ul style="list-style-type: none"> (a) the Supplier failing to submit or resubmit a draft Rectification Plan to the Authority within the timescales specified in Clauses 25.4 (<i>Submission of the draft Rectification Plan</i>) or 25.8 (<i>Agreement of the Rectification Plan</i>); (b) the Authority, acting reasonably, rejecting a revised draft of the Rectification Plan submitted by the Supplier pursuant to Clause 25.7 (<i>Agreement of the Rectification Plan</i>); (c) the Supplier failing to rectify a material Default within the later of: <ul style="list-style-type: none"> (i) 30 Working Days of a notification made pursuant to Clause 25.2 (<i>Notification</i>); and (ii) where the Parties have agreed a Rectification Plan in respect of that material Default and the Supplier can demonstrate that it is implementing the Rectification Plan in good faith, the date specified in the Rectification Plan by which the Supplier must rectify the material Default; (d) a Material KPI Failure re-occurring in respect of the same Key Performance Indicator for the same (or substantially the same) root cause in any of the 3 Measurement

	Periods subsequent to the Measurement Period in which the initial Material KPI Failure occurred;
	(e) not used; and/or
	(f) following the successful implementation of a Rectification Plan, the same Notifiable Default recurring within a period of 6 months for the same (or substantially the same) root cause as that of the original Notifiable Default;
“Rectification Plan Process”	the process set out in Clauses 25.4 (<i>Submission of the draft Rectification Plan</i>) to 25.9 (<i>Agreement of the Rectification Plan</i>);
“Registers”	has the meaning given in Schedule 25 (<i>Exit Management</i>);
“Relevant Authority” or “Relevant Authorities”	means the Authority and the Cabinet Office Markets and Suppliers Team or, where the Supplier is a Strategic Supplier, the Cabinet Office Markets and Suppliers Team;
“Relevant IPRs”	IPRs used to provide the Services or as otherwise provided and/or licensed by the Supplier (or to which the Supplier has provided access) to the Authority or a third party in the fulfilment of the Supplier’s obligations under this Contract including IPRs in the Specially Written Software, the Supplier Non-COTS Software, the Supplier Non-COTS Background IPRs, the Third Party Non-COTS Software and the Third Party Non-COTS IPRs but excluding any IPRs in the Authority Software, the Authority Background IPRs, the Supplier COTS Software, the Supplier COTS Background IPRs, the Third Party COTS Software and/or the Third Party COTS IPRs;
“Relevant Preceding Services”	has the meaning given in Clause 5.2.2 (<i>Standard of Services</i>);
“Relevant Requirements”	all applicable Law relating to bribery, corruption and fraud, including the Bribery Act 2010 and any guidance issued by the Secretary of State for Justice pursuant to section 9 of the Bribery Act 2010;
“Relevant Tax Authority”	HMRC, or, if applicable, a tax authority in the jurisdiction in which the Supplier is established;
“Relevant Transfer”	a transfer of employment to which the Employment Regulations applies;
“Relief Notice”	has the meaning given in Clause 29.2 (<i>Authority Cause</i>);
“Remedial Adviser”	the person appointed pursuant to Clause 27.2 (<i>Remedial Adviser</i>);

“Remedial Adviser Failure”	has the meaning given in Clause 27.6 (<i>Remedial Adviser</i>);
“Replacement Services”	any services which are the same as or substantially similar to any of the Services and which the Authority receives in substitution for any of the Services following the expiry or termination or Partial Termination of this Contract, whether those services are provided by the Authority internally and/or by any third party;
“Replacement Supplier”	any third-party service provider of Replacement Services appointed by the Authority from time to time (or where the Authority is providing replacement Services for its own account, the Authority);
“Reporting Records”	has the meaning given in Schedule 24 (<i>Reports and Records Provisions</i>);
“Request For Information”	a Request for Information under the FOIA or the EIRs;
“Required Action”	has the meaning given in Clause 28.1.1 (<i>Step-In Rights</i>);
“Retained Deliverables”	has the meaning given in Clause 32.9.2 (<i>Payments by the Supplier</i>);
“Risk Register”	the register of risks and contingencies that have been factored into any Costs due under this Contract, a copy of which is set out in Annex 4 of Schedule 15 (<i>Charges and Invoicing</i>);
“RM System”	has the meaning given in Schedule 2: Services Description(Schedule 2: Services Description);
“Security Requirements”	those security requirements set out in Clause 18 and Schedule 5 (Security Management);
“Serious KPI Failure”	shall be as set out against the relevant Key Performance Indicator in Table 1 of Part A of Annex 1 of Schedule 3 (<i>Performance Levels</i>);
“Service Charges”	the periodic payments made in accordance with Schedule 15 (<i>Charges and Invoicing</i>) in respect of the supply of the Operational Services;
“Service Continuity Plan”	any plan prepared pursuant to Paragraph 2 of Schedule 26 (<i>Service Continuity Plan and Corporate Resolution Planning</i>) as may be amended from time to time;

“Service Continuity Services”	the business continuity, disaster recovery and insolvency continuity services set out in Schedule 26 (<i>Service Continuity Plan and Corporate Resolution Planning</i>)
“Service Credit Cap”	<p>(a) in the period of 12 months from the first Operational Service Commencement Date to occur after the Effective Date, 13.5% of the Estimated Initial Service Charges; and</p> <p>(b) during the remainder of the Term, 9% of the Service Charges paid and/or due to be paid to the Supplier under this Contract in the period of 12 months immediately preceding the Service Period in respect of which Service Credits are accrued;</p>
“Service Credits”	credits payable by the Supplier due to the occurrence of 1 or more KPI Failures, calculated in accordance with Paragraph 3 of Part C of Schedule 15 (<i>Charges and Invoicing</i>);
“Service Hours”	has the meaning given in Schedule 2: Services Description (Schedule 2: Services Description)
“Service Period”	<p>a calendar month, save that:</p> <p>(a) the first service period shall begin on the first Operational Service Commencement Date and shall expire at the end of the calendar month in which the first Operational Service Commencement Date falls; and</p> <p>(b) the final service period shall commence on the first day of the calendar month in which the Term expires or terminates and shall end on the expiry or termination of the Term;</p>
“Service Points”	in relation to a KPI Failure, the points that are set out against the relevant Key Performance Indicator in the fifth column of the table in Annex 1 of Schedule 3 (<i>Performance Levels</i>);
“Services”	any and all of the services to be provided by the Supplier under this Contract, including those set out in Schedule 2 (<i>Services Description</i>);
“Service Transfer Date”	has the meaning given in Schedule 28 (<i>Staff Transfer</i>);
“Services Description”	the services description set out in Schedule 2 (<i>Services Description</i>);

“Severe KPI Failure”	shall be as set out against the relevant Key Performance Indicator in Table 1 of Part A of Annex 1 of Schedule 3 (<i>Performance Levels</i>);
“Sites”	<p>any premises (including the Authority Premises, the Supplier’s premises or third party premises):</p> <p>(a) from, to or at which:</p> <p>(i) the Services are (or are to be) provided; or</p> <p>(ii) the Supplier manages, organises or otherwise directs the provision or the use of the Services; or</p> <p>(b) where:</p> <p>(i) any part of the Supplier System is situated; or</p> <p>(ii) any physical interface with the Authority System takes place;</p>
“SME”	an enterprise falling within the category of micro, small and medium-sized enterprises defined by the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises;
“Social Value”	<p>the additional social benefits that can be achieved in the delivery of the Contract, including but not limited to those set out in:</p> <p>(a) Schedule 2 (Services Description);</p> <p>(b) Schedule 3 (Performance Levels); and</p> <p>(c) Schedule 33 (DWP Additional Requirements);</p>
“Social Value KPI”	The Social Value key performance indicators set out in Table 1 of Part A of Annex 1 of Schedule 3 (<i>Performance Levels</i>);
“Software”	Specially Written Software, Supplier Software and Third Party Software;
“Software Supporting Materials”	has the meaning given in Paragraph 1.1.1 of Schedule 32 (<i>Intellectual Property Rights</i>) (<i>Specially Written Software and Project Specific IPRs</i>);
“Source Code”	computer programs and/or data in eye-readable form and in such form that it can be compiled or interpreted into equivalent binary code together with all related design comments, flow charts, technical information and documentation necessary for the use, reproduction, maintenance, modification and enhancement of such software;

“Specially Written Software”	any software (including database software, linking instructions, test scripts, compilation instructions and test instructions) created by the Supplier (or by a Sub-contractor or other third party on behalf of the Supplier) specifically for the purposes of this Contract, including any modifications or enhancements to Supplier Software or Third Party Software created specifically for the purposes of this Contract.
“Specific Change in Law”	a Change in Law that relates specifically to the business of the Authority and which would not affect a Comparable Supply;
“Staffing Information”	has the meaning given in Schedule 28 (<i>Staff Transfer</i>);
“Staff Vetting Procedures”	the Authority’s procedures for the vetting of personnel as updated and notified to the Supplier from time to time;
“Standards”	the standards, policies and/or procedures identified in Schedule 4 (<i>Standards</i>);
“Step-In Notice”	has the meaning given in Clause 28.1 (<i>Step-In Rights</i>);
“Step-In Trigger Event”	<p>(a) any event falling within the definition of a Supplier Termination Event;</p> <p>(b) a Default by the Supplier that is materially preventing or materially delaying the performance of the Services or any material part of the Services;</p> <p>(c) the Authority considers that the circumstances constitute an emergency despite the Supplier not being in breach of its obligations under this Contract;</p> <p>(d) the Authority being advised by a regulatory body that the exercise by the Authority of its rights under Clause 28 (<i>Step-In Rights</i>) is necessary;</p> <p>(e) the existence of a serious risk to the health or safety of persons, property or the environment in connection with the Services; and/or</p> <p>(f) a need by the Authority to take action to discharge a statutory duty;</p>
“Step-Out Date”	has the meaning given in Clause 28.5.2 (<i>Step-In Rights</i>);
“Step-Out Notice”	has the meaning given in Clause 28.5 (<i>Step-In Rights</i>);
“Step-Out Plan”	has the meaning given in Clause 28.6 (<i>Step-In Rights</i>);

“Strategic Supplier”	means those suppliers to government listed at https://www.gov.uk/government/publications/strategic-suppliers ;
“Sub-contract”	any contract or agreement (or proposed contract or agreement) between the Supplier (or a Sub-contractor) and any third party whereby that third party agrees to provide to the Supplier (or the Sub-contractor) all or any part of the Services or facilities or services which are material for the provision of the Services or any part thereof or necessary for the management, direction or control of the Services or any part thereof;
“Sub-contractor”	any third party with whom: (a) the Supplier enters into a Sub-contract; or (b) a third party under (a) above enters into a Sub-contract, or the servants or agents of that third party;
“Sub-processor”	any third party appointed to process Personal Data on behalf of the Processor related to this Contract;
“Subsidiary Performance Indicator”	the performance indicators set out in Table 2 of Part A of Annex 1 of Schedule 3 (<i>Performance Levels</i>);
“Subsidiary Undertaking”	has the meaning set out in section 1162 of the Companies Act 2006;
“Successor Body”	has the meaning given in Clause 34.4 (<i>Assignment and Novation</i>);
“Supplier Background IPRs”	<p>(a) Intellectual Property Rights owned by the Supplier before the Effective Date, for example those subsisting in the Supplier’s standard development tools, program components or standard code used in computer programming or in physical or electronic media containing the Supplier’s Know-How or generic business methodologies; and/or</p> <p>(b) Intellectual Property Rights created by the Supplier independently of this Contract,</p> <p>which in each case is or will be used before or during the Term for designing, testing implementing or providing the Services but excluding Intellectual Property Rights owned by the Supplier subsisting in the Supplier Software;</p>
“Supplier COTS Background IPRs”	Any embodiments of Supplier Background IPRs that:

	<p>(a) the Supplier makes generally available commercially prior to the date of this Contract (whether by way of sale, lease or licence) on standard terms which are not typically negotiated by the Supplier save as to price; and</p> <p>(b) has a Non-trivial Customer Base;</p>
“Supplier COTS Software”	<p>Supplier Software (including open source software) that:</p> <p>(a) the Supplier makes generally available commercially prior to the date of this Contract (whether by way of sale, lease or licence) on standard terms which are not typically negotiated by the Supplier save as to price; and</p> <p>(b) has a Non-trivial Customer Base;</p>
“Supplier Equipment”	the hardware, computer and telecoms devices and equipment used by the Supplier or its Sub-contractors (but not hired, leased or loaned from the Authority) for the provision of the Services;
“Supplier Group”	means the Supplier, its Dependent Parent Undertakings and all Subsidiary Undertakings and Associates of such Dependent Parent Undertakings;
“Supplier Non-COTS Background IPRs”	Any embodiments of Supplier Background IPRs that have been delivered by the Supplier to the Authority and that are not Supplier COTS Background IPRs;
“Supplier Non-COTS Software”	Supplier Software that is not Supplier COTS Software;
“Supplier Non-Performance”	has the meaning given in Clause 29.1 (<i>Authority Cause</i>);
“Supplier Personnel”	all directors, officers, employees, agents, consultants and contractors of the Supplier and/or of any Sub-contractor engaged in the performance of the Supplier’s obligations under this Contract;
“Supplier Profit”	has the meaning given in Schedule 15 (<i>Charges and Invoicing</i>);
“Supplier Profit Margin”	has the meaning given in Schedule 15 (<i>Charges and Invoicing</i>);
“Supplier Representative”	the representative appointed by the Supplier pursuant to Clause 11.3 (<i>Representatives</i>);
“Supplier Software”	software which is proprietary to the Supplier (or an Affiliate of the Supplier) and which is or will be used by the Supplier for the

purposes of providing the Services, including the software specified as such in Schedule 12 (*Software*);

“Supplier Solution” the Supplier’s solution for the Services set out in Schedule 8 (*Supplier Solution*) including any Annexes of that Schedule;

“Supplier System” the information and communications technology system used by the Supplier in implementing and performing the Services including the Software, the Supplier Equipment, configuration and management utilities, calibration and testing tools and related cabling (but excluding the Authority System);

“Supplier Termination Event”

- (a) the Supplier’s level of performance constituting a Critical Performance Failure in accordance with Clause 7.6;
- (b) the Supplier committing a Material Default which is irremediable;
- (c) as a result of the Supplier’s Default, the Authority incurring Losses in any Contract Year which exceed 80% of the value of the aggregate annual liability cap for that Contract Year as set out in Clause 23.4.4 (Financial and other Limits);
- (d) a Remedial Adviser Failure;
- (e) a Rectification Plan Failure;
- (f) where a right of termination is expressly reserved in this Contract, including pursuant to:
 - (i) Clause 17 (*IPRs Indemnity*);
 - (ii) Clause 33 (*Compliance*);
 - (iii) Clause 37.6.2 (*Prevention of Fraud and Bribery*) or paragraph 3.3.1 of Schedule 33 (DWP Additional Requirements); and/or
 - (iv) Paragraph 5 of Schedule 18 (*Financial Distress*);
 - (v) Paragraph 3 of Part B to Schedule 26 (*Service Continuity Plan and Corporate Resolution Planning*);
- (g) the representation and warranty given by the Supplier pursuant to Clauses 3.2.8 or 3.2.9 (*Warranties*) being materially untrue or misleading;
- (h) the Supplier committing a material Default under Clause 10.11 (*Promoting Tax Compliance*) or failing to provide details of steps being taken and mitigating factors pursuant to Clause 10.11 (*Promoting Tax Compliance*);

which in the reasonable opinion of the Authority are acceptable;

- (i) the Supplier committing a material Default under any of the following Clauses:
 - (i) Clause 5.5.10 (*Services*);
 - (ii) Clause 21 (*Protection of Personal Data*);
 - (iii) Clause 20 (*Transparency and Freedom of Information*);
 - (iv) Clause 19(*Confidentiality*);
 - (v) Clause 33(*Compliance*);
 - (vi) in respect of any security requirements or Cyber Essentials obligations set out in Schedule 2 (*Services Description*), Schedule 5 (*Security Management*) or the Baseline Security Requirements;
 - (vii) in respect of any requirements set out in Schedule 32 (Intellectual Property Rights) and/or
 - (viii) in respect of any requirements set out in Schedule 28 (*Staff Transfer*);
- (j) any failure by the Supplier to implement the changes set out in a Benchmark Report as referred to in Paragraph 5.9 of Schedule 17 (*Benchmarking*);
- (k) an Insolvency Event occurring in respect of the Supplier or the Guarantor;
- (l) the Guarantee ceasing to be valid or enforceable for any reason (without the Guarantee being replaced with a comparable guarantee to the satisfaction of the Authority with the Guarantor or with another guarantor which is acceptable to the Authority);
- (m) a change of Control of the Supplier or a Guarantor unless:
 - (i) the Authority has given its prior written consent to the particular Change of Control, which subsequently takes place as proposed; or
 - (ii) the Authority has not served its notice of objection within 6 months of the later of the date on which the Change of Control took place or the date on which the Authority was given notice of the change of Control;

- (n) a change of Control of a Key Sub-contractor unless, within 6 months of being notified by the Authority that it objects to such change of Control, the Supplier terminates the relevant Key Sub-contract and replaces it with a comparable Key Sub-contract which is approved by the Authority pursuant to Clause 15.10 (*Appointment of Key Sub-contractors*);
- (o) any failure by the Supplier to enter into or to comply with an Admission Agreement under Part D of Schedule 28 (*Staff Transfer*);
- (p) the Authority has become aware that the Supplier should have been excluded under Regulation 57(1) or (2) of the Public Contracts Regulations 2015 from the procurement procedure leading to the award of this Contract;
- (q) a failure by the Supplier to comply in the performance of the Services with legal obligations in the fields of environmental, social or labour law;
- (r) in relation to Schedule 5 (*Security Management*):
 - (i) Not used
 - (ii) the Supplier fails to implement a change required by the Required Changes Register in accordance with the timescales set out in the Required Changes Register;
 - (iii) Supplier COTS Software and Third Party COTS Software is not within mainstream support unless the Authority has agreed in writing;
 - (iv) the Supplier fails to patch vulnerabilities in accordance with the Security Requirements set out in the Annexes to Schedule 5 (*Security Management*); and/or,
 - (v) the Supplier fails to comply with the Incident Management Process;
- (s) the Supplier is in Material Default of any Joint Controller Agreement relating to the Contract;
- (t) a Default that occurs and continues to occur on one or more occasions within 6 Months following the Authority serving a warning notice on the Supplier that it may terminate for persistent breach of the Contract; or
- (u) the Supplier or its Affiliates embarrass or bring the Authority into disrepute or diminish the public trust in them;

“Supply Chain Map”	means details of (i) the Supplier, (ii) all Subcontractors and (iii) any other entity that the Supplier is aware is in its supply chain that is not a Subcontractor, setting out at least: <ul style="list-style-type: none">(a) the name, registered office and company registration number of each entity in the supply chain;(b) the function of each entity in the supply chain; and the location of any premises at which an entity in the supply chain carries out a function in the supply chain;
“Supply Chain Transparency Report”	means the report provided by the Supplier to the Authority in the form set out in Annex 4 of Schedule 24 (<i>Reports and Records Provisions</i>);
“Sustainable Development”	means the sustainable development requirements specified in this Annex 4 to Schedule 33;
“Sustainable Development Plan”	has the meaning set out paragraph 4 (Sustainable Development Plan) of this Annex 4 to Schedule 33;
“Sustainable Development Policy”	means a policy detailing the Supplier’s approach and commitment to Sustainable Development;
“Sustainable Development Requirements”	means the sustainable development requirements specified in this Annex 4 to Schedule 33;
“Target Performance Level”	the minimum level of performance for a Performance Indicator which is required by the Authority, as set out against the relevant Performance Indicator in the tables in Annex 1 of Schedule 3 (<i>Performance Levels</i>);
“Term”	the period commencing on the Effective Date and ending on the expiry of the Initial Term or any Extension Period or on earlier termination of this Contract;
“Termination Assistance Notice”	has the meaning given in Paragraph 5 of Schedule 25 (<i>Exit Management</i>);
“Termination Assistance Period”	in relation to a Termination Assistance Notice, the period specified in the Termination Assistance Notice for which the Supplier is required to provide the Termination Services as such period may be extended pursuant to Paragraph 5.2 of Schedule 25 (<i>Exit Management</i>);

“Termination Date”	the date set out in a Termination Notice on which this Contract (or a part of it as the case may be) is to terminate;
“Termination Notice”	a written notice of termination given by one Party to the other, notifying the Party receiving the notice of the intention of the Party giving the notice to terminate this Contract (or any part thereof) on a specified date and setting out the grounds for termination;
“Termination Payment”	the payment determined in accordance with Schedule 16 (<i>Payments on Termination</i>);
“Termination Services”	the services and activities to be performed by the Supplier pursuant to the Exit Plan, including those activities listed in Annex 1 of Schedule 25 (<i>Exit Management</i>), and any other services required pursuant to the Termination Assistance Notice;
“Test Issues”	has the meaning given in Schedule 14 (<i>Testing Procedures</i>);
“Tests” and “Testing”	any tests required to be carried out under this Contract, as further described in Schedule 14 (<i>Testing Procedures</i>) and “Tested” shall be construed accordingly;
“Test Success Criteria”	has the meaning given in Schedule 14 (<i>Testing Procedures</i>);
“Third Party Auditor”	an independent third party auditor as appointed by the Authority from time to time to confirm the completeness and accuracy of information uploaded to the Virtual Library in accordance with the requirements outlined in Schedule 24 (<i>Reports and Records Provisions</i>);
“Third Party Beneficiary”	has the meaning given in Clause 41.1 (<i>Third Party Rights</i>);
“Third Party COTS IPRs”	Third Party IPRs that: <ul style="list-style-type: none"> (a) the supplier makes generally available commercially prior to the date of this Contract (whether by way of sale, lease or licence) on standard terms which are not typically negotiated by the supplier save as to price; and (b) has a Non-trivial Customer Base;
“Third Party COTS Software”	Third Party Software (including open source software) that: <ul style="list-style-type: none"> (a) the supplier makes generally available commercially prior to the date of this Contract (whether by way of sale,

lease or licence) on standard terms which are not typically negotiated by the supplier save as to price; and

(b) has a Non-trivial Customer base;

“Third Party IPRs” Intellectual Property Rights owned by a third party, but excluding Intellectual Property Rights owned by the third party subsisting in any Third Party Software, which in any case is, will be or is proposed to be used by the Supplier for the purposes of providing the Services;

“Third Party Non-COTS IPRs” Third Party IPRs that are not Third Party COTS IPRs;

“Third Party Non-COTS Software” Third Party Software that is not Third Party COTS Software;

“Third Party Provisions” has the meaning given in Clause 41.1 (*Third Party Rights*);

“Third Party Software” software which is proprietary to any third party (other than an Affiliate of the Supplier) or any Open Source Software which in any case is, will be or is proposed to be used by the Supplier for the purposes of providing the Services, including the software specified as such in Schedule 12 (*Software*);

“Transferring Assets” has the meaning given in Paragraph 6.2.1 of Schedule 25 (*Exit Management*);

“Transferring Authority Employees” has the meaning given in Schedule 28 (*Staff Transfer*);

“Transferring Equipment” the equipment listed in Annex 2 of the MCD which is to be transferred by the Authority to the Supplier with effect from the Equipment Transfer Date;

“Transferring Former Supplier Employees” has the meaning given in Schedule 28 (*Staff Transfer*);

“Transferring Supplier Employees” has the meaning given in Schedule 28 (*Staff Transfer*);

“Transparency Information” has the meaning given in Clause 20.1 (*Transparency and Freedom of Information*);

“Transparency Reports” has the meaning given in Schedule 24 (*Reports and Records Provisions*);

“UK” the United Kingdom;

“UK GDPR”	has the meaning as set out in section 3(10) of the DPA 2018, supplemented by section 205(4) of the DPA 2018;
“UK Public Sector Business”	means any goods, service or works provision to UK public sector bodies, including Crown Bodies and their arm’s length bodies and agencies, non-departmental public bodies, NHS bodies, local authorities, health bodies, police, fire and rescue, education bodies and devolved administrations;
“Unacceptable KPI Failure”	the Supplier failing to achieve the KPI Service Threshold in respect of more than 50% of the Key Performance Indicators that are measured in that Service Period;
“Unconnected Sub-contract”	any contract or agreement which is not a Sub-contract and is between the Supplier and a third party (which is not an Affiliate of the Supplier) and is a qualifying contract under regulation 6 of The Reporting on Payment Practices and Performance Regulations 2017;
“Unconnected Sub-contractor”	any third party with whom the Supplier enters into an Unconnected Sub-contract;
“Unrecovered Payment”	has the meaning given in Schedule 16 (<i>Payments on Termination</i>);
“Updates”	in relation to any Software and/or any Deliverable means a version of such item which has been produced primarily to overcome Defects in, or to improve the operation of, that item;
“Update Requirement”	means the occurrence of an event detailed in Schedule 24 (<i>Reports and Records Provisions</i>) (Annex 3: <i>Records To Upload To Virtual Library</i>) which requires the Supplier to update the relevant information hosted on the Virtual Library;
“Upgrades”	means any patch, New Release or upgrade of Software and/or a Deliverable, including standard upgrades, product enhancements, and any modifications, but excluding any Update which the Supplier or a third party software supplier (or any Affiliate of the Supplier or any third party) releases during the Term;
“Valid”	in respect of an Assurance, has the meaning given to it in Paragraph 2.7 of Part B to Schedule 26 (<i>Service Continuity Plan and Corporate Resolution Planning</i>);
“VAT”	value added tax as provided for in the Value Added Tax Act 1994;

“Valuables” and “Valuable Document”	has the meaning given in Schedule 2: Services Description (Schedule 2: Services Description)
“VCSE”	means a non-governmental organisation that is value-driven and which principally reinvests its surpluses to further social, environmental or cultural objectives;
“Virtual Library”	means the data repository hosted by the Supplier containing the information about this Contract and the Services provided under it in accordance with Schedule 24 (<i>Reports and Records Provisions</i>); and
“Waste Electrical and Electronic Equipment” or “WEEE”	has the meaning given in the Waste Electrical and Electronic Equipment (WEEE) Regulations 2013; and
“Workforce Monitoring Template”	has the meaning given in paragraph 2.6 in Annex 1 To Schedule 33 of Schedule 33: DWP Additional Requirements (Schedule 33: DWP Additional Requirements)
“Working Day”	any day other than a Saturday, Sunday or public holiday in England and Wales.

Schedule 2

Services Description

Schedule 2: Services Description

1. Definitions

Abbreviation	Meaning
ACK	Acknowledgement of TAR file receipt
ALO	Administrative Liability Order
BCDR	Business Continuity and Disaster Recovery
B2B	Business to Business
BPSS	Baseline Personnel Security Standard
CLOOP	Closed Loop
CMS	Child Maintenance Service
CRN	Customer Reference Number
CRU	Compensation Recovery Unit
DfCNI	Department for Communities, part of the Northern Ireland Executive
DLA	Disability Living Allowance
DLO	Dead Letter Office
DRO	Departmental Records Officer
DRS	Document Repository System
DVLA	Driver and Vehicle Licensing Agency
DWP	Department for Work and Pensions
EDRMS	Enterprise Document and Records Management System
ELS	Envelope-Level Sortation
ERN	Employer Reference Number
FIMS	File Import Management System
HMG	His Majesty's Government

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Abbreviation	Meaning
HMRC	His Majesty's Revenue & Customs
IBRs	Index Business Rules
ICO	Information Commissioner's Office
IMDM	Inbound Mail and Document Management
IOP	Instrument of Payment
ITT	Invitation To Tender
JRE	Java Runtime Environment
KPI	Key Performance Indicator
LMS	Labour Market System
MI	Management Information
MOU	Mail Opening Unit
mTLS	Mutual Transport Layer Security
NDFU	National Document Fraud Unit
NINO	National Insurance Number
OBA	Online Business Account – an external web-based portal provided by Royal Mail (RM)
PIP	Personal Independence Payment
PGP Encryption	Pretty Good Privacy - a security program that enables users to communicate securely by decrypting and encrypting messages, authenticating messages through digital signatures, and encrypting files.
RM	Records Management
RMR	Royal Mail Relay
RPO	Recovery Point Objective
RTO	Recovery Time Objective
SCIN	Special Client Information Number

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Abbreviation	Meaning
SFT	Single File Transfer
SFTP	Secure File Transfer Protocol is a network protocol for securely accessing, transferring, and managing large files and sensitive data. It enables access, transfer, and management of files over a network.
SPOC	Single Point of Contact
TAR	Tape Archive File
TLS	Transport Layer Security
TNA	The National Archives
TRN	Third-Party Reference Number
UAT	User Acceptance Testing
URN	Unique Reference Number
XML	Extensible Markup Language is a markup language and file format for storing, transmitting, and reconstructing arbitrary data. It defines a set of rules for encoding documents in a format that is both human-readable and machine-readable.
XRJ	Rejection File Response

Table 2 - Definitions

Expression	Definition
Agreed Daily Flow	Expected incoming volumes of Mail Items consisting of Documents, Envelopes and emails for Email Ingestion taken from the Monthly forecast volumes provided by the Authority, divided by the number of Service Days plus 10%, that the Supplier shall process and deliver to the Authority in any Service Day in accordance with the SLAs.
Assessment Provider	The Assessment Provider is a supplier that provides DWP with assessments for Personal Independence Payment.
Authority	The Authority is the Department for Work and Pensions and is also referred to as DWP.
BaNCS	A software suite used by retail banks.
Batch Receipt Files	Acknowledgement files to show successful transfer between Supplier and Authority.
Batch Report	Shall have the meaning given to it in 4.18.22.2 of this document.
Batch Response File	For each batch submitted, the Document Repository System (DRS) will respond with a Batch Response File which will be generated and returned to the committing system. This response file contains an XML structure which will either signify success or report an error.
Benefit Type	Refers to the different DWP benefits a Customer may be able to claim.
Bulk Intake	The physical transfer of paper records to the Record Store of the new supplier.
Business Line	Business Unit/Benefit

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Expression	Definition
Business Reference Library	Library of instructions for non-generic (i.e., CMS) service lines.
Business Rules	Instructions for non-generic individual service lines. These Business Rules documents are held in the Business Reference Library.
Business Unit	A line of business within DWP, typically organised at a directorate level. Examples include “Pensions”, “Jobcentre Plus”
Business Unit Identifier	Reference for the business/benefit area within DWP.
Calendar Day	A period of 24 hours from midnight to midnight.
Change Control Process	The process for changing this Contract, as set out in Schedule 22 (Change Control Procedure).
Closed Loop	Batch Completion Response file.
Contract	The Contract between the Authority and the Supplier.
Courier	Royal Mail (RM) Relay have the Contract for the provision of DWP’s Courier Service. Courier mail is tracked end to end and can only be sent to DWP and supplier site addresses.
Courier Polylopes	Tear-resistant, weatherproof polythene mailing bags.
Corporate Box	A box which contains a number of items registered on the RM System as a single item. For this reason, Corporate Boxes can only be retrieved as a whole box.
Corporate Records	Records that detail how DWP is administered. Corporate Record Items are Registered Files, Corporate Files and Corporate Boxes.

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Expression	Definition
Customer	Any citizen and/or benefit recipient using the Services that the Authority offers.
Data Capture Rules	Defines what metadata is required to be captured by the scanning software for each Benefit Type.
Debt Management	A Business Unit within DWP.
Debt Management Nil Balance Scans	Monthly report sent securely from DWP Debt Management, identifying records which have cleared debts and need to be amended on the RM System to start destruction process.
Deliverables	An item, feature or Service associated with the provision of the Services or a change in the provision of the Services which is required to be delivered by the Supplier at a Milestone Date or at any other stage during the performance of this Contract.
Departmental Records Officer's Team or DRO team	The Authority function responsible for the management of all Corporate Files and Registered Files.
Destruction Certificate	Certificate provided by the Supplier to the Authority to confirm proof of destruction of records.
Devolved Administrations	Transfer or allocation of authority from a central government to a regional government e.g., includes, but not limited to, Scottish Government.
Digital Mailroom	Service component for the secure receipt and processing of inbound hard copy documents and electronic Mail Items per day. These Mail Items are to be converted into scanned images, indexed according to Business Rules, and digitally handed off to Authority systems.

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Expression	Definition
Downstream Access Provider	A licensed supplier that collects and processes mail for handover to Royal Mail's Mail Centres for the final processing and delivery to the end recipient.
DWP Place	The Authority's platform for Knowledge Articles and IT Service management. It is a version of ServiceNow, also referred to as TechNow.
Email Ingestion	Means the Supplier's solution for ingesting and indexing internal and external emails.
Envelope Level Sortation	Envelope-Level Sortation comprises of the initial capture of all incoming citizen mail and its sortation into pre-determined postcode groups.
Evidence Service	Alternate references to the Authority's Document Repository System.
Evidence Store	Alternate references to the Authority's Document Repository System.
Grade 1	A safe adhering to the certification of Euro Grade 1 – EN 1143-1
Inbound Contact Point	The location where the mail was received.
Incumbent Supplier	Any supplier providing Services to the Authority before the Activity Date that are the same as or substantially similar to the Services (or any party of the Services) and shall include any sub-contractor of such contractor (or any sub-contractor of such sub-contractor).
Index Business Rules	Specific rules used by scanning software to capture the metadata required by individual Benefit Types (also see Data Capture Rules).
Intelligent Automation Garage	DWP delivery partner providing intelligent automation scanning for DfCNI.

Schedule 2 (Services Description)
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Expression	Definition
Implementation Services	The change activities required to achieve transition between Contracts or projects in order to move to Operational Services.
Integrated Test Phase	A type of software testing in which various modules in an application are tested as a combined unit.
Letter	Royal Mail Definition – Max Weight 100g / Max Length 24cm / Max Width 16.5cm / Max thickness 5mm.
Large Letter	Royal Mail Definition – Max Weight 750g / Max Length 35.3cm / Max Width 25cm / Max thickness 2.5cm.
Parcel	Royal Mail Definition Small Parcel – Max Weight 2kg / Max Length 45cm / Max Width 35cm / Max thickness 16cm.
Mail Item(s)	Any Letter, Large Letter, A3 Parcel, or Parcel, as defined by Royal Mail.
Non-Production Infrastructure	Test environment to test with non-live like data.
O'Neil Order	A records management and MI reporting system provided by O'Neil Software, Inc.
Pensions	A Business Unit within DWP.
Post Opening, Scanning, and Indexing	Post Opening, Scanning, and Indexing solution for DWP post.
Pre-Production Infrastructure	Staging environment to test with live-like data.
Production Infrastructure	Network devices, server hardware and host operating systems, comprising the Authority's operational and real-time environment.
Quality Standards	The Quality Standards published by BSI British Standards, the National Standards Body of the United Kingdom, the International Organisation for Standardisation or other reputable or equivalent body, (and their successor

Expression	Definition
	bodies) that a skilled and experienced operator in the same type of industry or business sector as the Supplier would reasonably and ordinarily be expected to comply with, and as may be further detailed in the Specification.
Record(s)	hard-copy document relating to a staff member, and citizens claim to benefit, which will contain personal data created, received, processed and/or maintained by DWP. Essential to fulfil the DWP's legal obligation to administer pension, welfare and Child Maintenance cases on behalf of citizens and for the prevention and detection of fraud
Record	Records that detail how DWP is administered. Corporate Record items are Registered Files, Corporate Files and Corporate Boxes.
Records Management System (RM System)	The IT System utilised by the Supplier to fulfil the requirements specified for this Contract.
Record Store	A building where physical paper records are stored.
Registered File	A significant Corporate Record that may be put into the public domain as being in the public interest. Registered Files are legal entities as defined by the Public Records Act and all activity must be auditable.
Return to Sender Letters	Mail Items marked as Return to Sender or Dead Letter Office by Royal Mail and returned to DWP for scanning.
Secure Destruction	The Supplier shall destroy records in accordance with the requirements specified by the Authority.
Security Plan	Is contained in the Authority's Information Security Questionnaire

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Expression	Definition
Service Hours	The Supplier's operational hours to deliver the Services.
Service Request	Any incident raised, via DWP Place, by the Authority requiring a resolution from the Supplier
Service Tower	A Service component of the Digital Mailroom process.
Sortation Plan	As of 2023, this Sortation Plan is applied to incoming mail with a WV98 or WV99 non-geographic postcode. These postcodes may be subject to change.
Supplier	The person, partnership, or company with which the Authority enters into the Contract.
Third-Party Supplier	Any third party appointed by the Supplier which through its employees or agents directly delivers the Services.
Unique Location	A location within the Record Store where the Record is located, which can be identified within the RM System.
User	Either a member of the Authority's personnel or an employee within the Supplier organisation who has access to the Records Management System.
User Story Integration	Describes system requirements for sharing data between the different software applications.
Valuables	Any item that would incur a financial cost to replace and/or loss of which could lead to identify theft including but not limited to passports, birth certificates and driving licences.
Valuables – Bankable	Valuable items to be banked for DWP.
Valuables Database	Digital Database that meets the Authority's requirements to record the receipt, banking, or repatriation of

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Expression	Definition
	Valuables, as appropriate, for reconciliation purposes.
Valuables - Non-Bankable	Valuable items not requiring Banking or Repatriation in line with DWP Valuables guidance.
Valuables – Repatriation	Valuable items requiring a scanning and indexing solution and repatriation to sender In line with DWP Valuables guidance.
Whitemail	All post that cannot be successfully indexed as a recognisable document is recorded as White Mail.
Working Day	In respect of the Authority any day other than a Saturday, Sunday, or public holiday when banks in the United Kingdom are open for business.
Zero Trust	An architectural approach where inherent trust in the network is removed, the network is assumed hostile, and each request is verified based on an access policy.

2. Purpose

- 2.1 The Supplier shall provide a secure mail opening, scanning, indexing and storage solution for the Authority that meets the Authority's needs, enabling flexibility to support commitments to move to a more digital streamlined Service.
- 2.2 This document sets out the Service components and Deliverables that the Authority requires for the provision of:
- 2.2.1 Envelope-Level Sortation ([Section 3](#))
 - 2.2.2 Digital Mailroom ([Section 4](#)).
 - 2.2.3 Digital Mailroom - Technical Specification ([Section 5](#) & Annex 13)
 - 2.2.4 Records Management ([Section 6](#)).
- 2.3 The receipt and handling of inbound mail is business critical.

3. The Authority

- 3.1 The Authority is a ministerial Department, supported by 13 agencies and public bodies. As

the UK’s biggest public Service department, the Authority administers the state pension and a range of working age, disability, and ill health benefits to over 22 million claimants and Customers.

- 3.2 The requirement includes the Department for Communities, part of the Northern Ireland Executive (DfCNI), and the Scottish Government.
- 3.3 For more information on the Authority’s work and objectives, visit [DWP Outcome Delivery Plan: 2021 to 2022 \(www.gov.uk\)](#).

4. Envelope-Level Sortation

- 4.1 ELS comprises the initial capture of all incoming citizen mail and its sortation into pre-determined postcode groups.
- 4.2 As of 2023, this Sortation Plan is applied to incoming mail with a WV98 or WV99 non-geographic postcode.
- 4.3 There are a number of Royal Mail deliveries each Working Day that require Digital Mailroom action throughout the day.
- 4.4 Upon receipt of Royal Mail deliveries, the Supplier shall undertake ELS or shall provide a suitable alternative to ensure that Mail Items are appropriately batched prior to scanning. (The existing supplier, Royal Mail, will continue to provide ELS until June 2026, delivering pre-sorted Mail Items to the Supplier throughout the period of Digital Mailroom transition; January 2025 to January 2026.) These activities shall be performed in such a way as to ensure the Supplier can achieve the Key Performance Indicators (KPIs) outlined in ITT Schedule 3 (Performance Levels).
- 4.5 The Supplier shall work closely with Royal Mail to ensure Royal Mail deliveries are received on time, to mitigate against delays downstream, and to report any delays to the Authority.
- 4.6 The year-to-date sortation estimate is that 56.06% of mail received can be processed using a fully automated solution and that the remainder will be manually sorted.
- 4.7 The Supplier shall ensure that:
 - 4.7.1 Items for manual sortation include Large Letters (C4 or thicker than 5mm), Parcels, special delivery, recorded delivery. In addition, this includes all other Letter traffic that cannot be automated, whether this is due to them being rejected as a result of incomplete addressing, illegible address, too thick, or over/under-size etc.
 - 4.7.2 The Supplier is expected to receive envelopes that will be C5, C6 or DL. Envelope colours should be white, cream, or light buff with contrasting writing/typeface so that address details are darker than the envelope. Any mechanisms or machinery put in place by the Supplier shall be able to accommodate envelopes with the following dimensions (landscape orientation):

Dimensions	Minimum Dimensions	Maximum Dimensions
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Envelope Length	154mm	240mm
Envelope Width	110mm	165mm
Mail Item Thickness	0.25mm	5mm
(No more than 2mm variation across length or width of item)		

4.8 Where the Supplier chooses to not undertake ELS itself, the Supplier shall manage the Royal Mail relationship on behalf of the Authority as a sub-contracted arrangement. In such circumstances, the Supplier shall negotiate directly with Royal Mail to agree the costs to deliver ELS, providing the annual volume forecast.

4.9 For any agreement the Supplier needs to put in place with Royal Mail, the Supplier may wish to consider that the Authority currently has an agreement based on the following criteria:

- (a) Forecast volumes – 10.5m per annum.
- (b) Tolerances of 10%.

4.10 Not used

4.11 Management Information

4.11.1 The Supplier shall provide performance reports on:

- (a) Historical Royal Mail Volume.
- (b) Actuals to forecasted mail.
- (c) Supplier forecast vs Royal Mail forecast.
- (d) Streamed Mail Breakdown and Performance.
- (e) Year-to-date Automated Mail vs Manual Mail.
- (f) Deficient Postage Element Charges.
- (g) Excess Surcharges and Top 20 Surcharge Sites.
- (h) Historical Surcharge Handling Fee.
- (i) Innovation and Value.

4.12 Not used.

5. Digital Mailroom

5.1 General

5.1.1 The Authority requires a Digital Mailroom Service component for the secure receipt and processing of inbound hard copy documents and electronic Mail Items per day.

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5.1.2 The Authority requires these Mail Items to be converted into scanned images, indexed according to Business Rules, and digitally handed off to Authority systems, ensuring Customers are served quickly and efficiently.

5.1.3 The Supplier shall be responsible for:

- (a) Mail receipt.
- (b) Mail sorting.
- (c) Document preparation.
- (d) Managing Instruments of Payment (IOP).
- (e) Managing Valuables.
- (f) Document Scanning.
- (g) Electronic inbound correspondence ingestion.
- (h) Image quality analysis.
- (i) Document Indexing.
- (j) Document re-assembly.
- (k) Creation of XML file.
- (l) PGP Encryption.
- (m) Data delivery (SFTP).
- (n) Service Request Management.
- (o) Secure Destruction.
- (p) Document movement.
- (q) Document retention.

5.1.4 For Scottish Government, the Supplier shall be responsible for:

- (a) Mail receipt.
- (b) Mail sorting.
- (c) Document preparation.
- (d) Document Scanning.
- (e) Image quality analysis.
- (f) Document Indexing.
- (g) Document re-assembly.

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- (h) Creation of TAR file.
 - (i) Data delivery (SFTP).
 - (j) Service Request Management.
 - (k) Secure storage of scanned documents for 4 weeks from the date of scanning.
 - (l) Document movement.
 - (m) Document retrieval from secure storage at the expiry of 4 weeks from the date of scan.
 - (n) Further document preparation.
 - (o) Updating the Scottish Government Disability Living Allowance (DLA) tracker with date of dispatch and Courier Polylope tracking number.
 - (p) Forwarding original documents to the long-term hard copy storage section.
- 5.1.5 DfCNI requires an indexing Service only.
- 5.1.6 The Supplier will be required to provide all licences required for their solution.
- 5.1.7 Individual service lines have low level differences in Service Requirements. These will be detailed by the Authority in the following guidance:
- (a) Exempt from Scanning List.
 - (b) Business Reference Library.
 - (c) Sortation Plan.
 - (d) Valuables List.
 - (e) Batch Preparation Guidance.
- 5.1.8 The Supplier shall work effectively and collaboratively with the Authority's Service providers of multiple Document Repository Systems (DRS).
- 5.1.9 The Supplier shall work with multiple systems integrators appointed by the Authority to integrate any and all solutions and IT elements of this Contract. These providers may be subject to change over the lifetime of this Contract.
- 5.1.10 The Supplier shall ensure that the solution is able to incorporate future enhancements in document capture technologies.
- 5.1.11 The Supplier shall adhere to the technical and contractual change control processes as detailed in Annex 8 and Schedule 22 (Change Control Procedure)
- 5.1.12 The Supplier shall comply with the principles of the British Standards Code of Practice for Evidential Weight and Legal Admissibility of Electronic Information (BS10008:2014).

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- 5.1.13 The Supplier shall ensure that all appropriate metadata or other indexing information appended to the document can be amended by the Authority.
- 5.1.14 The Supplier shall ensure that all scanned images are clear and legible, as in the original document.
- 5.1.15 The Supplier is required to use technologies available to enhance the quality of the scanned image.
- 5.1.16 The Supplier shall ensure that where a document is of such poor quality that a legible digitised version cannot be created, it is marked "poor quality original".
- 5.1.17 The Supplier shall ensure that if photocopying has to be used that the contents of documents remain unaltered and therefore comply with legal requirements.
- 5.1.18 The Supplier shall ensure that if photocopying is required for any reason that the integrity of the original document is retained.
- 5.1.19 The solution shall allow the user to request a rescan by manual and or electronic means of a document as required by the Authority.
- 5.1.20 The Supplier shall feed back to the Authority lessons learned to support the redesign of forms and the development of future forms to improve efficiencies, reduce manual intervention and increase automation.
- 5.1.21 The Supplier shall be able to accommodate changes to the Authority's operating hours. The Authority's current operating hours are 07:30 to 18:30 Monday – Friday with Contact Centre Services available 08:00 to 17:00 on Saturday. These are subject to change as the Authority modernises its Service delivery. Any solution must be flexible enough to accommodate changes.
- 5.1.22 The Supplier shall work with the Incumbent Supplier to ensure a seamless transition from the old Contract to the new Contract.

5.2 Premises

- 5.2.1 The Supplier shall ensure that mail is always observed and recorded by surveillance cameras and stages from its arrival at the Supplier through to its destruction.
- 5.2.2 The Supplier shall ensure that the CCTV signage and recordings are handled as stated by the Information Commissioner's Office (ICO) guidance CCTV and video surveillance | ICO.
- 5.2.3 The supplier shall ensure that 31 days maximum footage is held securely with access control preferably on a digital recorder device with time stamped images. The Supplier shall note the Authority DWP standard - sufficient storage capacity for a minimum of 31 days recording at 25 images per second.
- 5.2.4 The Supplier shall ensure all CCTV recordings are destroyed securely at the end of the retention period in line with the Authority's security standards and policies.

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- 5.2.5 The Supplier shall have controlled access in and out of all buildings where the Authority data is held. Appropriate records relating to premises access shall be kept, stored securely for 12 months and available to the Authority upon request.

5.3 Fraud

- 5.3.1 The Supplier shall alert the Business Unit to any potential fraud identified by the Supplier Personnel immediately.
- 5.3.2 The detailed process will be specified during Implementation Services.

5.4 Security

- 5.4.1 The Supplier shall ensure that changes cannot be made to scanned or physical documents other than for the purposes of image clean-up and other image editing is not possible. The Supplier shall ensure that all Valuables, including cash are always processed and held securely within the Mail Opening Unit in accordance with the Authority Security Policy.
- 5.4.2 Whilst the Supplier shall ensure that Valuables are repatriated on the same day that they are received, if any Valuables cannot be repatriated on the day of receipt, they shall be stored securely in a Grade 1 safe with controlled access.
- 5.4.3 The Supplier shall ensure the Grade 1 safe is sited within a locked room to which only authorised Supplier Personnel have access. Room and safe access shall be controlled and records for both room and the safe shall be completed and retained for 6 years.
- 5.4.4 The Supplier shall ensure that all systems and processes used for the monitoring and recording of user access, are robust, provide a clear audit trail of evidence and give confidence to the Authority that the Supplier is monitoring and maintaining the access of its Supplier Personnel in accordance with the Supplier's overall contractual obligations.

5.5 Mail Receipt

- 5.5.1 The Supplier is responsible for reaching agreement with the Authority's inbound mail provider to ensure receipt of mail from the delivery office within specified timescales.
- 5.5.2 The Supplier shall provide access to the Authority's inbound mail providers for deliveries and collections between 06:00 and 18:00 hours, Monday to Friday. These timings may be subject to change as the Authority modernises its Service delivery. Any solution must be flexible enough to accommodate changes.
- 5.5.3 The Supplier will need to accommodate the following vehicle sizes as a minimum requirement:
 - (a) License Class C, 7.5 tonne Rigid Vehicle (tail-lift).
 - (b) License Class C1, 17 tonne Rigid Vehicle (tail lift).
 - (c) License Class CE Heavy/Articulated Goods Vehicle.

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- 5.5.4 The Supplier shall work in collaboration with the Authority's Third-Party Suppliers and their requirements, which may include but not be limited to Health and Safety, Risk, and Security Assessments.

5.6 Mail Handling

- 5.6.1 The Supplier shall ensure that all opened mail is thoroughly checked, and all contents are removed from envelopes, packages, and Courier Polylopes. Envelopes not requiring scanning shall be recycled.
- 5.6.2 The Supplier shall ensure all Courier Polylopes are turned inside out to ensure they are empty and to enable recycling.
- 5.6.3 If any Valuables are found within an envelope the Supplier shall ensure, that the envelope and all its contents should be handled in accordance with the Hard Copy or Scanning Valuables procedures.
- 5.6.4 The Supplier shall be able to deliver the Service across the entire Authority estate of approximately 1,000 individual sites, but approximately 1,300 individual Business Unit postcodes.
- 5.6.5 The Supplier shall scan all Customer documentation and maintain the relationship to the original envelope.
- 5.6.6 The Supplier shall ensure where documents for multiple Customers are received in the same envelope that the relationship to the original envelope is maintained.
- 5.6.7 Where the Supplier receives an envelope/Courier Polylope and the documents are clearly for multiple Customers, they shall prepare and scan the individual Customer's documents separately, unless other specific Business Rules apply.
- 5.6.8 Pensions Specific – Where the Supplier receives an envelope/Courier Polylope for Pensions, inclusive of International Pensions, and the documents are clearly for spouses, they must treat the documents as being in separate envelopes, prepare and scan the individual Customer's documents separately.
- 5.6.9 The Supplier shall scan separately documents for multiple Customers from a single envelope/Courier Polylope that have become detached. Should any accompanying documents within an envelope/Courier Polylope containing documents for multiple Customers become detached, the Supplier shall prepare these for scanning as individual envelopes.
- 5.6.10 The Supplier shall ensure all "Signed For" delivery envelopes (excluding Courier Polylopes) shall be retained and scanned with the envelope contents.
- 5.6.11 The Supplier shall ensure its process and equipment is aligned to the required Government Standards on the validation of physical evidence to support identity. The Government standards are laid down by the Home Office National Document Fraud Unit (NDFU) and cover both learning and equipment.
- 5.6.12 NDFU recommend that the infra-red Questioned Document Examination System, QDX-430, is used. This machine features magnification, UV, infra-red, oblique, and fluorescent light. As such the Suppliers solution shall incorporate

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this recommendation, or a suitable alternative.

- 5.6.13 The specific equipment may be subject to change or upgrade. The Supplier's solution must be flexible enough to adapt to changes.
- 5.6.14 There may be a future requirement, for certain evidence documents received by the Mail Opening Unit, to assess validity of documents such as passports and driving licenses and to capture the results. The Authority will require the results of these checks to be stored as metadata along with the scanned images. This activity is not expected to commence from the Effective Date. However, it may be required at some point, during the life of the Contract.
- 5.6.15 The solution shall be flexible enough to deliver scanned and indexed images across all the Authority business areas on an equal basis (load balancing) throughout the day i.e., delivery of mail into the Supplier's Mail Opening Unit from 06:00 Monday to Friday with the first scanned images issued and available to the Authority no later than 08:30 and then at regular intervals throughout the day and ensuring completion by the end of the same Working Day - in any event adhering to the level of Service stated in Schedule 3 (Performance Levels). The Authority Service delivery hours will be subject to change. The solution must be flexible enough to accommodate these changes. Any change will be subject to the Change Control Process.
- 5.6.16 The Supplier shall ensure all Mail Items are processed and cleared on the day of receipt to enable the Authority to receive the items on the next Working Day.
- 5.6.17 The Supplier shall forward any post, including Valuables, which are not for the Authority, to the correct address, without being processed. The Supplier shall therefore be given access to the Royal Mail On-Line Business Account (OBA)
- 5.6.18 Debt Management Specific - The Supplier will provide the Agreed Daily Flow at specified times during the day and in five (5) daily files as follows:
- (a) First file containing minimum of 33% of general mail images received by 10:00.
 - (b) Second file containing a minimum of 33% of general mail images received by 13:00.
 - (c) File containing IOP mail images received by 15:00.
 - (d) File containing Dead Letter Office (DLO) mail scanned images received by 15:00.
 - (e) Third file containing the remaining general mail images received by 16:00.
- 5.6.19 The Supplier shall forward any cheques payable to His Majesty's Revenue & Customs (HMRC) received in an envelope with no other Authority post direct to HMRC without being processed, using the Authority's OBA details.
- 5.6.20 The Supplier shall adhere to the Authority's guidance that identifies documents to be exempt from scanning. The detailed process will be specified during the Implementation Services.

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- 5.6.21 In the event that a suspicious potential threat is detected the Supplier will follow the Authority's process for handling suspect mail. Details will be provided during the Implementation Services.
- 5.6.22 The Supplier shall be able to provide a Service to handle alternative mail formats, including but not limited to Braille and audio.
- 5.6.23 Prior to opening, a visual check of the envelope shall be undertaken to help identify and flag where items may potentially have been delivered incomplete or damaged, to the Supplier.
- 5.6.24 Any Mail Items identified as damaged or potentially incomplete shall be opened by hand to review the state of the contents.
- 5.6.25 Should content be able to be processed by the Supplier, then the Mail Item will be reintroduced into the Supplier process.
- 5.6.26 Should the contents contain damaged Valuables, then the Supplier shall forward the Mail Item to the Authority's point of contact, which will be defined by the Authority during Implementation Services.
- 5.6.27 Child Maintenance Service (CMS) Specific - Mail Items shall be flagged as Business to Business (B2B) by way of Mail Item level slip sheet and reintroduced into the Supplier process, where there is evidence that the envelope:
 - (a) Flap is not sealed.
 - (b) Has been torn or cut with sufficient opening to remove contents.
- 5.6.28 On identifying issues with the mail, the Supplier shall notify the Authority of any incidents where the volume received cannot be processed the same day.
- 5.6.29 In the event of a backlog of Mail Items awaiting processing, the Supplier shall report the estimated numbers of any Mail Items that are waiting processing. The Supplier shall work with the Authority to resolve the backlog created.
- 5.6.30 CMS Specific - PO Boxes will be aligned to the following inbound receiving points of the Authority. A PO Box is required for the following:
 - (a) GB Mail.
 - (b) NI Mail.
 - (c) Employer.
 - (d) B2B Mail.
- 5.6.31 CMS Specific - Additional PO boxes may be raised during the lifecycle of the Contract. Any additional PO Boxes will be managed via the Change Control Process.
- 5.6.32 The incoming Mail Item delivery shall be logged on receipt which shall include:
 - (a) The date and time of receipt.

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(b) The receiving operator's name.

5.6.33 Mail Item deliveries received via special delivery and recorded delivery shall maintain the following controls and capture of additional information:

(a) A signature log recording who took receipt of the special delivery or recorded delivery Mail Item into the operations area.

(b) A log of the bar-coded tracking number, receipt date and time.

5.6.34 The Supplier shall not write on, stamp, or alter in any way any official legal documents.

5.7 Document Preparation

5.7.1 Batch preparation requirements, excluding CMS, to be followed as per the document "DWP Batch Preparation Instructions", which will be provided during Implementation Services.

5.7.2 The Supplier shall ensure that documents are in a fit state for scanning, e.g., all fastenings (staples, treasury tags, paperclips, etc.) removed, tears repaired, edges guillotined, delicate items flatbed-scanned (where necessary), and documents are in the order in which they were received unless other specific Business Rules apply. The Supplier will retain the integrity of all individual documents and Valuables where fastenings are removed.

5.7.3 The Supplier shall ensure that documents requiring the use of a guillotine to trim documents to a scannable size shall retain all information.

5.7.4 The Supplier shall leave sticky notes (post-its) when preparing documentation for scanning. However, if this obscures text, then the Supplier shall scan two copies of the same page: the first copy with the post-it notes in situ and the second copy with the post-it notes removed.

5.7.5 The Supplier shall follow agreed processes to order all required consumables from the Authority's Third-Party Supplier to deliver the Service and shall effectively manage all stocks to ensure Service continuity. These are consumables for Courier, banking, and repatriation (including compliments slips and envelopes). Detailed processes will be provided during Implementation Services.

5.7.6 CMS Specific - Mail Items are categorised into two types:

(a) Solicited mail: a Mail Item containing a structured correspondence that has a valid CMS barcode. All correspondence metadata for the Mail Item shall be read from the barcode on the structured correspondence ("Forms"). See CMS Interface Definition document for definition of "Valid CMS Barcode" located in the Business Reference Library.

(b) Unsolicited mail: a Mail Item not containing any structured correspondence that has a valid CMS barcode. All index information for the Mail Item shall be keyed from the unstructured correspondence ("Letters").

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- 5.7.7 CMS Specific - items not suitable for bulk scanning shall be sorted out from the Mail Item and replaced within the Mail Item with an "Unable to Scan" exception slip sheet which will set the exception type value in the batch output.
- 5.7.8 The Supplier shall indicate on the exception sheet the reason why the item is unable to be scanned.
- 5.7.9 The exception slip sheet shall be scanned and delivered as an image within the output PDF for the Mail Item.
- 5.7.10 The Supplier shall forward the exception slip to the Authority's point of contact, to be defined by the Authority during Implementation Services, with a copy of any supporting correspondence.
- 5.7.11 CMS Specific - Mail Item contents shall be checked for damage:
- (a) If damage is assessed as being such that a bulk scanning operation is not possible, then the item shall be treated as an 'unable to scan' exception.
 - (b) If the damaged item is able to be passed through a bulk scan process, then the Supplier shall insert a "Damaged on Receipt" slip sheet in front of the item. Should the damage be deemed caused by the Supplier, then a "Damaged by Supplier" slip sheet shall be placed in front of the item.
 - The slip sheet will be used by the Supplier system to update the metadata in the output XML to identify the Exception Type.
 - The inserted slip sheet will be omitted from the PDF image output.
- 5.7.12 CMS Specific - Contents will be reviewed to identify Valuables as defined in the Valuables List held within the Business Reference Library.
- 5.7.13 CMS Specific - Structured documents (correspondence containing a CMS barcode) shall be positioned at the front of the Mail Item content for scanning.
- 5.7.14 CMS Specific - Common inbound Metadata extracted from the CMS barcode of the first structured document shall be applied for all content within the Mail Item.
- 5.7.15 CMS Specific - Once opened, the contents of the envelope shall be checked for Valuables or IOPs. Mail Items shall be sorted and batched into the following groups for processing:
- (a) Correspondence.
 - (b) Correspondence with Valuables.
 - (c) Correspondence with IOP.
 - (d) DLO.

5.8 Batch Control

- 5.8.1 The Supplier shall:
- (a) Remove documents from envelopes and collate into a single delivery package.
 - (b) Indicate envelope boundaries by way of a barcoded separator sheet placed before the first document within an envelope.
 - (c) Indicate document boundaries by way of a barcoded separator sheet placed before the first page of each document.
 - (d) Be responsible for maintaining and indicating envelope integrity for these items.
- 5.8.2 CMS Specific - Where the document is a structured document that does not contain an Authority Barcode in the agreed format, the Supplier shall apply an Authority Barcode identifying it as a Solicited Document. Documents that do not contain an Authority Barcode in the agreed format shall be processed as Unsolicited Documents. The Supplier will ensure that envelope separator sheets are applied by the Authority's operations which will contain text to identify the Inbound Contact Point in line with established CMS PO Boxes.
- 5.8.3 CMS Specific - The Supplier shall complete a batch control sheet and attach this to each batch of documents scanned. The Supplier shall have a process for batch control for separation and identification.
- 5.8.4 The Supplier shall retain the batch control sheet with the original documentation until the original documents are destroyed. The batch control sheet will contain:
- (a) The Authority's business area.
 - (b) Name of scanning operator.
 - (c) Date and time batch scanned.
 - (d) Number of pages scanned.
 - (e) The assigned batch number.
- 5.8.5 The Supplier shall ensure that all scanned images are auditable.
- 5.8.6 Each job created will generate a batch header sheet printed on creation. The batch header sheet will contain the unique batch name in text and barcode format.

5.9 Handling Exempt Items

- 5.9.1 For business areas not currently part of the scanning and indexing process, all hard copy mail must be separated, date stamped individually, and sorted and dispatched via the Authority's Courier in accordance with the individual office's Sortation Plan.
- 5.9.2 If an envelope contains a document identified as exempt from scanning, the remaining contents of the envelope shall also be treated as exempt from

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scanning, in line with the Authority's "Exempt from Scanning" guidance, to be provided during Implementation Services.

- 5.9.3 The Supplier shall complete and attach an Exempt Item Form for items that cannot be repatriated.
- 5.9.4 The Supplier shall ensure that any documents received with Multimedia, DVDs, CDs, VHS, X-Rays, photos, and other non-paper mail are kept together and be exempt from scanning.
- 5.9.5 The Supplier shall exempt all other Mail Items that are deemed unfit or inappropriate for scanning following consultation with the Authority.
- 5.9.6 The Supplier shall ensure that exempt items for Authority businesses are made available to be dispatched into the Authority's Courier provider no later than the end of the Working Day on which they are received.
- 5.9.7 CMS Specific - The Supplier shall handle Exemptions in accordance with the detail provided by the Authority during Implementation Services.
- 5.9.8 CMS Specific - Any exemptions received that fall outside of the Exemption Handling process shall be managed via an established operational query process to the Authority and where necessary the Service shall be updated using the Change Control Process.
- 5.9.9 CMS Specific - Exempted items shall be sent on a daily basis to the Authority's nominated point of contact, to be provided during Implementation Services.
- 5.9.10 CMS Specific - Exempted items will be identified as one of the following types by population of the value in the metadata field 'Exemption Type' in the Mail Item batch output:
 - (a) Unable to scan.
 - (b) Unable to bank.
 - (c) Potentially incomplete.
 - (d) Damaged on receipt.
 - (e) Damaged by Supplier.
 - (f) Sender unknown (for original items which cannot be returned to the sender).
 - (g) Attachment removed (emails only).
- 5.9.11 CMS Specific - The Authority shall work with the Supplier to resolve items that are not in scope for the imaging and scanning Services. The Supplier shall forward any exemptions on to the Authority for manual processing.
- 5.9.12 CMS Specific - In the event the Authority identifies new processes and rules to support a reduction in the number of items flagged as exemptions, any changes/amendments to the process shall be managed via the Change Control

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Process.

5.10 Undeliverable Mail

- 5.10.1 The Supplier shall handle any and all Mail Items returned to the Supplier as "Gone Away", "Return to Sender", or "Undelivered" from Royal Mail (from Royal Mail Relay for DfCNI) and the Supplier's Downstream Access Provider.
- 5.10.2 Where Authority business areas are on-boarded for scanning and do not have any specific exemptions for DLO mail, the Supplier shall handle the DLO mail as follows:
 - (a) Scan the envelope and the first page of the correspondence contained within the mail, identifying its status on the scanned image and metadata, so that the Mail Item may be routed within the Authority's IT system.
 - (b) Remaining pages may be securely destroyed unless valuable.
- 5.10.3 "Return to Sender" and "Gone Away" Mail Items shall be identified by the following criteria:
 - (a) Still in outgoing envelope.
 - (b) Royal Mail sticker on them stating the status.
 - (c) Unable to be delivered.
 - (d) No longer at this address.
 - (e) Not called for - Return to sender.
 - (f) Handwritten comments on envelope.
 - (g) Damaged.
- 5.10.4 Where Authority business areas are not yet on-boarded, the Supplier shall handle DLO mail as follows:
 - (a) Exempt the mail from scanning.
 - (b) Forward the envelope and contents as hard copy mail to the appropriate Authority Business Area in accordance with mail sort plans.

5.11 Valuables Handling

- 5.11.1 Valuables will be indexed from original items in a separate workflow to the Mail Item imaging and indexing.
- 5.11.2 Details of the Valuables Categories are held within the DWP Valuables List (which is under review and likely to change). The Supplier shall contact the Authority where an item does not appear on a predefined list and appears to be valuable.
- 5.11.3 CMS Specific - Should the Valuables not align to the predefined listing, then the Supplier shall:

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- (a) Flag the item as 'Unidentified' and mark for return to the Authority.
 - (b) Photocopy the Valuables.
 - (c) Insert a "Potentially Incomplete" slip sheet in place of the item in the Mail Item structure.
- 5.11.4 The Supplier shall bank IOP items on the same Service Day as receipt and processing.
- 5.11.5 A basic authenticity check shall be undertaken based on authenticity identification guidelines agreed with the Authority.
- 5.11.6 The Supplier will use reasonable endeavours to validate the authenticity of Valuables.
- 5.11.7 The Supplier, subject to using such reasonable endeavours, shall accept no liability in the event such Valuables are subsequently found to be counterfeit.
- 5.11.8 Where there is doubt on the authenticity of the document the Supplier shall exempt the item to the Authority's named point of contact. The Authority will identify a point of contact during Implementation Services.
- 5.11.9 CMS Specific - Where there is doubt on the authenticity of the document, the Supplier shall:
 - (a) Flag the item as "Exception" and mark for return to the Authority.
 - (b) Photocopy the Valuables.
 - (c) Insert a "Potentially Incomplete" slip sheet in place of the item in the Mail Item structure.
 - (d) The Supplier shall generate a pair of header sheets for all Valuables prepared. Both header sheets shall contain a shared unique reference.
 - (e) The reference shall be unique for the term of the Service.
 - (f) One sheet will be marked as "Original" and placed in a clear envelope with the original Valuables and a copy of supporting correspondence ready for Valuables indexing and return.
 - (g) The other sheet will be marked as "Copy", placed in front of the photocopy of the original Valuables, and then placed back within the mail structure ready for scanning.
- 5.11.10 The Supplier shall provide a digital Valuables Database that meets the Authority's requirements to record the receipt, banking, or repatriation of Valuables as appropriate, for reconciliation purposes for all Category 1,2,3 and 4 valuable items received by the Supplier. The Supplier shall ensure that this Valuables Database is securely hosted, and password controlled in line with the Authority's Password Policy, to be supplied during Implementation Services. The Supplier shall have the ability to export the Valuables Database in an Excel-

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compatible format at the request of the Authority.

- 5.11.11 The Supplier shall work with the Incumbent Supplier to ensure the secure transfer of the Authority's data from the existing National Valuables Handling Database to the Supplier's Valuables Database.
- 5.11.12 The Supplier's Valuables processor shall electronically log the receipt of each valuable item with the information as specified by the Authority. The Supplier shall:
- (a) Provide daily access for the Authority's Personnel to all information held on the Valuables Database they develop.
 - (b) Provide the Authority staff with access daily to all information/data held on the Valuables Database.
 - (c) Be able to produce printed copies of the electronic log should it be required by the Authority.
- 5.11.13 The Supplier shall ensure that only authorised Supplier personnel have access to the information contained on the Valuables Database and shall have measures in place to identify who logged the Valuables.
- 5.11.14 The Supplier shall ensure that data stored on the Valuables Database is destroyed after the relevant retention period as notified by the Authority:
- (a) Categories 1 and 4 - data stored for 3 calendar years, with the exception of CMS which is 6 years.
 - (b) Categories 2 and 3 - stored for 16 calendar weeks.
- 5.11.15 The Supplier's Valuables processor shall update each separate entry with the following data for all Valuables:
- (a) Type of Valuable.
 - (b) Postage method in and out.
 - (c) Date of receipt.
 - (d) National Insurance Number (NINO) or Customer Reference Number (CRN) or Claim Ref depending on what is available.
 - (e) Office identifier.
 - (f) Customer name.
 - (g) Name of Valuables team member logging the item.
 - (h) Status (how it was returned).
 - (i) Special/Recorded Delivery reference inbound and outbound (where applicable).
 - (j) Labour Market System Reference (where applicable).

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- (k) Business Unit identifier.
- 5.11.16 IOPs are items of payment that have monetary value. The IOPs in scope for this Service shall be defined as one of the following:
 - (a) Cheque.
 - (b) Cash.
 - (c) Postal order. (Postal orders shall be classified as cash for identification within the Supplier output and for banking purposes.)
- 5.11.17 The data recorded for Category 1 Bankable items shall also include:
 - (a) Account numbers.
 - (b) Cheque number.
 - (c) Currency (if not GBP).
 - (d) Date banked.
 - (e) Receipt number (on paying slip).
- 5.11.18 The data recorded for Category 2 and 3 Valuables shall also include:
 - (a) Date returned.
 - (b) What is returned.
 - (c) Who it is returned to.
 - (d) Where it is returned to (Address).
 - (e) How it is returned.
- 5.11.19 The data recorded for Category 4 Valuables shall also include:
 - (a) Serial number.
 - (b) Date of issue.
- 5.11.20 The Supplier's Valuables process shall update each separate entry with the following data for Compensation Recovery Unit (CRU) Valuables:
 - (a) CRU Reference.
 - (b) Cheque or cash amount.
 - (c) Bank account number.
 - (d) Paying-in slip reference.
- 5.11.21 The Supplier shall use document scanners to assist in the identification of forged and counterfeit documents and which have the approval of the NDFU. The specific equipment, as described in Mail Handling above, may be subject to

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change or upgrade. The Supplier's solution must be flexible enough to adapt to changes.

- 5.11.22 The Supplier Personnel must be able to identify forged and counterfeit identity documents through examination.
- 5.11.23 Where the Supplier is unable to authenticate documentation and suspects it is fraudulent, the Supplier shall send the original document and all other documents within the envelope to the Authority's Single Point of Contact (SPOC) at the site that deals with that Customer without scanning it. SPOCs will be identified during Implementation Services and the Supplier advised.
- 5.11.24 All Category 2 and 3 Valuables, as defined by the Authority, shall be scanned. All relevant pages with any text or markings shall also be scanned, including any Certified Copies.
- 5.11.25 If a photocopy of a Valuable is received by the Supplier, it shall be physically stamped as "Original Not Seen" and treated as normal mail (i.e., not recorded as a valuable).
- 5.11.26 The Supplier shall stamp each original IOP as 'cancelled' on the front top right-hand corner and the back bottom left-hand corner before return.
- 5.11.27 The Supplier shall return all Valuables to the Customer or Customer's representative within 1 Working Day of receipt of the envelope, using the same postal method by which they were received. For example, the Supplier must use Recorded Delivery if the Customer sent the Valuables to the Authority using Recorded Delivery.
- 5.11.28 The Supplier shall ensure that bank books, share certificates, passports and premium bonds are returned to the Customer within 1 Working Day and by Royal Mail Special Delivery.
- 5.11.29 Any valuable that cannot be returned to the Customer or representative shall be scanned (unless other specific Business Rules indicate that these Valuables are exempt from scanning) and the original sent to the Authority SPOC that deals with that Customer, attaching a completed Exempt Items Referral Sheet.
 - (a) Items shall be batched by type prior to sending.
 - (b) Exempt sheets and SPOC details will be supplied during Implementation Services.
 - (c) This requirement does not supersede any CMS-specific requirements.
- 5.11.30 The Supplier shall return all original cancelled IOPs to the Authority's agreed location using the Authority's fully tracked Courier Service. The location will be confirmed during Implementation Services.
- 5.11.31 The Supplier must scan all bankable items on the day of receipt in readiness for scanning into the Authority's banking provider's digital banking system for cheques and postal orders or for the daily scheduled Royal Mail collection for cash.

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- 5.11.32 Where cost centre stamps have been provided, the Supplier must stamp the back of all bankable cheques, unless instructed otherwise by a specific Business Unit, with the Authority office name and cost centre.
- 5.11.33 The Supplier must complete a paying-in slip with the date, and number of bankable items and the total amount. The Supplier shall stamp the front of the duplicate copy paying-in slip that it retains and the duplicate copy that it issues to the Authority with the Authority office name and cost centre.
- 5.11.34 The Supplier must ensure that the individual completing the final banking reconciliation signs the front of the paying-in slip. The Supplier will send one of the duplicate paying-in slip copies to the relevant Authority SPOC and retain the other.
- 5.11.35 The Supplier shall conduct a full reconciliation between all bankable items and the Valuables Database prior to banking.
- 5.11.36 Prior to banking, the Supplier must ensure that the bankable items reconciliation is checked and verified by someone other than the person who conducted the reconciliation. Both reconciliations must be recorded for audit purposes.
- 5.11.37 The Supplier must ensure a signature is obtained for each Special Delivery envelope for cash banking.
- 5.11.38 The Supplier must not update the Valuables Database status to "banked" until all cheques and postal orders have been scanned into the Authority's banking provider's digital banking system and the items scanned have been accepted.
- 5.11.39 The Authority shall resolve any discrepancies that occur between themselves and the nominated bank but may require the Supplier to support.
- 5.11.40 The Supplier must not update the Valuables Database status to "banked" until the final reconciliation between the Valuables Database and the contents of the Courier package has been documented, and a signature for the collection has been obtained.
- 5.11.41 In the event of a Valuables being lost or damaged whilst in the custody of the Supplier, the Supplier will reimburse the Authority for any subsequent replacement.
- 5.11.42 The Supplier's Valuables processors shall, upon receipt of a valuable from a Customer's appointee or any another third party, ensure that the Customer's name, if available, is always input on the Valuables Database under the Customer's name field. Where a name is not available, any other identification information e.g., NINO should be recorded.
- 5.11.43 All Category 2 and 3 Valuables shall be recorded on the Valuables Database. Any certified copies shall be recorded under the same Category 2 and 3 Valuables as the original.
- 5.11.44 The Supplier shall ensure that when repatriating Valuables, they:

- (a) Return the items to the Customer's representative where an Appointee,

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Personal Acting Body, Power of Attorney address is shown, or

- (b) Identify the most recent Customer address shown on the documents enclosed in the envelope, cover letter and the Authority document, and
 - (c) Validate the address shown on the envelope against the Customer address as shown on the Customer's correspondence.
 - (d) Shall use the Authority as the return address if no address is found on either the supporting correspondence or Valuables and update the metadata in the outbound batch XML accordingly. The address for returns to the Authority will be confirmed during Implementation Services.
- 5.11.45 The Supplier shall send all cash on the day of receipt to the nominated bank by Royal Mail Special Delivery unless exceptional circumstances apply.
- 5.11.46 The Supplier shall undertake random spot checks on all items that are to be banked to ensure they are all fully accounted for.
- 5.11.47 The Authority will be responsible for paying for postage for all repatriated items. The Supplier shall therefore be given access to the Royal Mail On-Line Business Account (OBA).
- 5.11.48 The Supplier shall repatriate Valuables and Valuables received from overseas in accordance with specific rules for overseas mail. This will be informed by the source country and method of delivery. Details will be provided during Implementation Services.
- 5.11.49 The Supplier shall, on receipt of any blank or cancelled overseas cheque, stamp the cheque as "Cancelled" along the middle of the front of the cheque, scan the front of the cheque and treat as normal mail. They shall not enter the cheque on the Valuables data base.
- 5.11.50 The Supplier shall on receipt of any National Insurance cards with stamps attached scan and forward the original direct to HMRC, as specified by the Authority:
- (a) HMRC, National Insurance Contributions Employer Office, BX9 1AN.
- 5.11.51 Debt Management Specific - The Supplier shall record receipt of Valuables and cheques made payable to Debt Management using an approved template that automates the upload of data into the Debt Manager System.
- 5.11.52 Debt Management receives cheques variously payable to: Debt Management, DWP, Social Security, DSS, Benefits Agency, etc. In this respect, any cheque received at the Digital Mailroom will be for Debt Management whomever it is made payable to.
- 5.11.53 The Supplier must process cheques received using a Bank Giro Credit slip. Debtors will send payments to the Authority's nominated Royal Bank of Scotland Voucher Processing Centre to be banked on behalf of the Authority.
- 5.11.54 Any additional 'whitemail' enclosed in the envelope and received at the Royal

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Bank of Scotland Voucher Processing Centre will be sent to the Supplier via the Authority's Courier for scanning and indexing.

- 5.11.55 The Supplier is required to scan all cheques and postal orders directly into the Authority's banking provider's digital banking system on the day of receipt. The Supplier shall validate that the IOP has been accepted into the banking system and that all data has been entered correctly.
- 5.11.56 If, following scanning of the cheques or postal orders into the Authority's banking providers digital banking system, the software will not read the cheque or postal order, the Supplier will enter the fields to be captured manually. Following manual input, the Supplier shall validate that the IOP has been accepted into the banking system and that all data has been entered correctly.
- 5.11.57 All IOPs scanned into the banking system must be retained for a period of 30 days prior to Secure Destruction. There is no requirement for the IOPs to be repatriated with their original accompanying documentation so shall be retained in a Banking Archive box.
- 5.11.58 CMS Specific - The Supplier shall record the following detail prior to repatriating any item:
- (a) Date returned.
 - (b) Return name.
 - (c) Return address.
 - (d) Valuables type.
 - (e) Valuables reference number.
 - (f) Tracking ID (where applicable).
- 5.11.59 CMS Specific - The Supplier shall provide a daily electronic file to the Authority (in a format to be agreed between the parties during Implementation Services) containing details of all Bankable Items banked during the previous 24-hour period ("Banked Items File").
- 5.11.60 CMS Specific - The Supplier shall maintain an audit trail in respect of all IOPs received and capture sufficient details in respect of such instruments as are notified by the Authority from time to time in order to assist with the reconciliation of payments in the Authority's BaNCS software ("Reconciliation File").
- 5.11.61 CMS Specific - The Supplier shall capture the following details in respect of each cheque and postal order received for inclusion within the Metadata for each Scanned Image:
- (a) Full last name.
 - (b) Scheme Client identification number (optional).
 - (c) Deposit type (postal order or cheque).

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- (d) Sort code.
- (e) Account to be debited.
- (f) Cheque or postal order number.
- (g) Amount.
- (h) NINO.
- (i) Additional reference number e.g., Administrative Liability Order number (ALO).

5.11.62 CMS Specific - The Supplier shall scan any completed paying-in slips received with IOPs.

5.11.63 The Supplier shall maintain a secure cash handling process in respect of any cash received and provide a slip sheet to specify the value of cash received for inclusion within the scanned image.

5.11.64 The Supplier shall securely store all IOPs at the Suppliers premises until such time as they are banked or dispatched to the Authority's point of contact, which will be defined by the Authority during Implementation Services, as applicable.

5.11.65 Mail Items containing IOPs shall be separated out during the mail opening and sortation process and shall be forwarded to a specific team internal to the Supplier. The team shall be responsible for processing and recording all IOPs.

5.12 Cash Preparation

5.12.1 If the item received contains cash which is not UK Pounds Sterling, the cash shall be removed and replaced with an 'Unable to Bank' exception form.

5.12.2 The cash will not be included in the Supplier banking process and must be forwarded with a copy of the supporting correspondence to the Authority's point of contact, which will be defined by the Authority during Implementation Services.

5.12.3 The cash slip sheet will be used by the Supplier system to update the metadata in the output XML to identify the item was unable to be banked. The Supplier inserted cash slipsheet will be present in the PDF image output.

5.12.4 Cash in UK Pounds Sterling shall be removed from the Mail Item and replaced with a cash slip sheet:

- (a) The Supplier's operator shall detail the total amount of cash on the cash slip sheet.
- (b) The cash slip sheet shall be signed by the IOP preparation operator and countersigned by a second member of Supplier Personnel.
- (c) The cash shall be placed in a clear envelope with a copy of the cash slip sheet identifying the appropriate bank account destination.

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- (d) The cash slip sheet shall be placed in lieu of the cash within the Mail Item structure detailing the cash value and date received.
- (e) The cash slip sheet will be scanned and presented as an image to the Authority in the PDF image file output.
- (f) A manual cash log shall be maintained detailing date, deposit account, value, and operators' names.

5.13 Cheque and Postal Order Preparation:

- 5.13.1 Cheques and/or postal orders shall be subject to an Authenticity Check undertaken on a reasonable-endeavours basis.
- 5.13.2 The Authenticity Check shall take into account:
 - (a) The type of paper.
 - (b) That the cheque or postal order is not an obvious photocopy.
 - (c) Whether the branding appears to be original.
 - (d) Whether the signatures are easily identified as being photocopied or evidence of ink is not visible on the paper. (Company cheques may carry a pre-printed signature and therefore should be banked).
- 5.13.3 The Supplier is required to provide a banking Service to payment services and upon receipt of the cheques from the Authority the process shall be:
- 5.13.4 Cheques will be presented to the Supplier prepared for scanning with a collated paying in slip showing the total value of cheques for each individual account without any accompanying letters.
- 5.13.5 The Supplier is required to scan all cheques and postal orders (Instruments of Payment) directly into the Authority's banking providers digital banking system on the day of receipt. The Supplier shall validate that the IOP has been accepted into the banking system and that all data has been entered correctly.
- 5.13.6 If, following scanning of the cheques or postal orders into the Authority's banking providers digital banking system, the software will not read the cheque or postal order, the Supplier will enter the fields to be captured manually. Following manual input, the Supplier shall validate that the IOP has been accepted into the banking system and that all data has been entered correctly.
- 5.13.7 All Instruments of Payments scanned into the banking system must be retained for a period of 30 days prior to secure destruction. There is no requirement for the IOP's to be repatriated to their original accompanying documentation and shall be retained in a "banking" archive box.'
- 5.13.8 There is no requirement for the Supplier to record the cheques received from payment services on the NVHD, scan them as part of the DDM Service, confirm receipt at the MOU to the sender or confirm that the cheques have been scanned into the banking providers digital banking system to payment services.

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- 5.13.9 The Authority will provide SPOC contacts in the event of any problems with paying in slips/cheques etc.
- 5.13.10 In addition to the Authenticity Check, the Supplier shall also perform quality checks in respect of each cheque and postal order received to ensure that each cheque or postal order is:
- (a) Not dated more than 6 months in arrears or post-dated by more than 3 days.
 - (b) Legible.
 - (c) Not drawn in a currency other than Pounds Sterling.
 - (d) Does not obviously appear to be drawn on a bank outside of the UK.
 - (e) Consistent in the amounts cited in words and figures.
 - (f) Made out to a payee notified by the Authority. The Authority shall provide a list of acceptable payee names during Implementation Services.
- 5.13.11 IOPs shall be prepared for scanning so that each IOP item and its supporting documents are scanned together ensuring envelope integrity.
- 5.13.12 CMS Specific - Should more than 4 Valuables be received by the Supplier within the same Mail Item, then the fifth and subsequent Valuables shall be considered to be pages of the fourth Valuables, be placed at the back of the fourth Valuables and be processed together as a single item. This is to support a constraint introduced by the Authority's system that prevents the import of more than four (4) Valuables within a single Mail Item.
- 5.13.13 CMS Specific - Accounts in which items are to be banked are determined by the PO Box on which they are received by the Supplier. Details of PO Box mappings to Bank Account details as follows:
- (a) DWP CMEC GB Future Scheme.
 - (b) DWP CMEC NI Future Scheme.
 - (c) DWP CMEC Employers.
- 5.13.14 Non-CMS accounts will be defined during Implementation Services.
- 5.13.15 CMS Specific - The Supplier shall bank payments received to the Future Scheme GB Bank Account and will include them in the associated payment schedule.
- 5.13.16 CMS Specific - The Supplier will generate a Bank Payment Schedule Report for sorted items by Account and Payment Type that details the information of IOPs processed that Service Day.
- 5.13.17 CMS Specific - The Supplier will use the generated report to reconcile IOP items pending banking. On successful reconciliation, the Supplier shall complete a paying-in slip for each payment batch and confirm successful reconciliation by

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creating a payment schedule job in the Supplier's workflow system. If the reconciliation of items is unsuccessful, the Supplier shall resolve the reconciliation error until successful.

- 5.13.18 CMS Specific - Following the banking of the IOPs the Supplier shall generate a Payment Schedule for each payment batch.
- 5.13.19 The Supplier will open the created payment schedule job in the Supplier's workflow system following confirmation of successful reconciliation.
- 5.13.20 The Supplier will generate payment schedules.
- 5.13.21 CMS Specific - Content, structure, and format of the Payment Schedule is defined within the Supplier CMS Interface Definition.
- 5.13.22 CMS Specific - Court Forms and Unidentified Valuables shall always be returned to the Authority regardless of whether a return address is found on the item or support correspondence.
- 5.13.23 CMS Specific - Once successfully scanned, the Supplier's operator will print a header sheet with return details and place with original Valuables back in a clear envelope ready for return.
- 5.13.24 CMS Specific - Items marked as to be returned to the Authority shall be batched together to create a single delivery for that day.
- 5.13.25 Items to be returned to the sender shall be placed in an envelope with a pre-defined compliments slip (as provided by the Authority). The Supplier will address the envelopes individually for each item and schedule collection with Royal Mail.
- 5.13.26 Valuables that require return to a non-UK address will be sent via appropriate foreign address postal Service as provided by Royal Mail. The Authority shall be responsible for paying for all charges for this Service.
- 5.13.27 The Supplier shall ensure that user access to the Valuables Database is password controlled. Users will be required to input a valid password in order to access the Valuables Database
- 5.13.28 The Supplier shall ensure that the Valuables Database complies with the Authority 's Password Policy. User's passwords to access the Valuables Database will meet the criteria defined in the Authority 's Password Policy
- 5.13.29 The Supplier shall record all Valuables, including those returned to the Customer, in a database which is securely hosted within a secure environment.

5.14 Document Scanning and Indexing

- 5.14.1 The Supplier shall provide a Service that is scalable and adaptable to the changes in the Agreed Daily Flow across all areas of the Contract, as indicated to the Supplier monthly by the Authority's forecasts.
- 5.14.2 The Supplier shall provide a solution to match the existing Authority Routing

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Code arrangements and any subsequent or ongoing changes to them.

- 5.14.3 The Supplier's solution shall be able to support document scanning and indexing to a maximum size of 1,000 pages.
- 5.14.4 The solution shall allow the scanning of all documents in an envelope regardless of the number of documents received, up to a maximum of 99 documents. A system limit of 99 documents per envelope applies.
- 5.14.5 The Supplier shall ensure that multiple inbound source types can be specified for document scanning. The source types will be provided by the Authority during Implementation Services and could include types such as back-scanning, which will prevent workflow tasks being created.
- 5.14.6 The Supplier shall enable the prioritisation of document scanning by document type as specified by the Authority. The Authority will provide details of the priority documents for scanning during Implementation Services.
- 5.14.7 As document types can be shared across Business Units, to meet core mandatory scanning and indexing requirements for Great Britain, the Supplier shall identify the Benefit Type for any mail correspondence based upon the envelope address and document type.
 - (a) Where the Supplier identifies the Document Type for one document as being unique to one Benefit Type, The Supplier shall define the Benefit Type for the whole envelope based only on the Document Type.
- 5.14.8 The Supplier shall ensure that the document capture Service shall assign a unique image ID to every image as it is scanned.
- 5.14.9 The Supplier shall ensure that the document capture Service allows the scanning operator to delete an image or images within a batch.
- 5.14.10 The Supplier shall ensure there is a process in place for random checks to be completed on deleted images.
- 5.14.11 To comply with mandatory scanning and indexing requirements for Great Britain, the Supplier shall have the ability to rescan a document if requested and shall be able to receive a scan request from the document repository and process the request within 48 hours of receiving the request. The Supplier shall ensure that the document capture Service allows the scanning operator to rescan pages into the appropriate position in the batch.
- 5.14.12 The Supplier shall ensure that the document capture Service supports simplex and duplex paper document scanning.
- 5.14.13 The Supplier shall ensure that the solution meets the industry documents recognition and optical recognition standards.
- 5.14.14 The Supplier shall ensure that the document capture Service supports documents recognition and optical recognition for the future.
- 5.14.15 The Supplier shall ensure that all documents, including Courier mail, shall be

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scanned, and exported in regular batches on the day of receipt.

- 5.14.16 Personal Independence Payment (PIP) Specific - The Supplier shall treat all PIP10s, DS1500s and SR1s (forms in use by the Authority) as a priority within Personal Independence Payment (PIP) mail and, if received in time, ensure they are scanned in the first batch of the day.
- 5.14.17 The Supplier shall ensure that on each Working Day the last batch of documents for each Business Unit is scanned, indexed, and exported to the File Import Management System (FIMS) by a time agreed with the Authority.
- 5.14.18 The Supplier shall ensure that any mail or Valuables received are held securely and when processed, the correct date of receipt is captured.
- 5.14.19 The Supplier shall ensure that the date of receipt is captured for each document.
- 5.14.20 The Supplier shall scan each document only once unless it is part of a rejection or rescan request.
- 5.14.21 The Supplier shall scan all documents in duplex, including any blank pages. Blank pages shall not be passed through to FIMS.
- 5.14.22 The Supplier shall provide the capability to scan documents of multiple paper types, quality, and weight.
- 5.14.23 The Supplier shall provide the capability to scan all documents up to a maximum paper size of A3.
- 5.14.24 The Supplier shall ensure that the order of the pages within the scanned image reflects the same order as the document received unless other specific Business Rules apply.
- 5.14.25 The Supplier shall ensure that all images exported to FIMS are delivered in the correct orientation for reading (portrait documents scanned portrait and landscape documents scanned landscape).
- 5.14.26 The Supplier shall forward any documentation that cannot be scanned to the appropriate SPOC for each benefit. The Authority will provide a list of SPOCs during Implementation Services.
- 5.14.27 The Supplier shall control the throughput of scanned images to ensure that mail for individual Business Unit s/benefit types and individual offices is handled equally throughout the Working Day.
- 5.14.28 The Supplier shall capture the Customer mobile telephone number from the Authority's forms or Customer documents for benefits, as defined by the Authority.
- 5.14.29 CMS Specific - The Supplier shall provide a seamless end-to-end process to scan, index and deliver images into CMS's "Documentum" system where they will be stored (This is not the standard Authority DRS at present for CMS mail).
- 5.14.30 Debt Management Specific: The Supplier shall provide a solution for Debt

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Management to open post, scan, index and deliver images via Secure File Transfer to a DWP Server, details of which will be provided during Implementation Services. Scans will be batched and delivered in 5 separate transfers with 3 to spread the volume over the day and one each for DLO and Finance files."

- 5.14.31 The Supplier shall provide a back-scanning Service that allows any Business Unit within the Authority to send them hard copy documents for scanning and indexing. A back-scanned item will be subject to normal processing while repressing any task notification to the Authority.
- 5.14.32 The Supplier's solution shall have the ability to read barcoded, non-barcoded, and any other structured documents.
- 5.14.33 The Supplier shall maximise automation of the Authority's current barcoded, non-barcoded, and any other structured documents.
- 5.14.34 To comply with mandatory scanning and indexing requirements for Great Britain and Northern Ireland, the Supplier shall utilise an automated indexing solution that must:
 - (a) Achieve an average of 90% accuracy across Business Unit s when identifying the Document Type.
 - (b) Be able to use an automated indexing solution when text is white on a black background.
 - (c) Be able to use automation on text that is font size 10 and above.
- 5.14.35 The Supplier shall work with the Authority to establish targets for an automated indexing solution for the Authority and the DfCNI.
- 5.14.36 The Supplier shall ensure that the Authority's existing reconciliation tool that covers scanning through indexing and into DRS can be used with their systems.
- 5.14.37 The Supplier shall ensure that the selected NINO/CRN/LMS reference is added to the metadata associated with the documents within an envelope unless the NINO/CRN/LMS identified does not match the document type.
- 5.14.38 The Supplier shall ensure that if more than one recognised document is received within one envelope, that all documents in the envelope are indexed with the first identified NINO/CRN/LMS, unless it is a barcoded document which will take priority. A "recognised document" would be an on-boarded document type.
- 5.14.39 To comply with mandatory scanning and indexing requirements for Great Britain and Northern Ireland, the Supplier shall be able to index documents separately when they are received in the same envelope.
 - (a) The Supplier shall individually index the Document Type for each document received in the same envelope.
 - (b) The Supplier shall index all documents received in the same envelope with the same unique "Scan Envelope ID".

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- 5.14.40 The Supplier shall ensure that if more than one recognised document for more than one Customer is received within one envelope, all individual Customer documents in the envelope shall be prepared and indexed with the appropriate NINO/CRN/Claim Ref/LMS, in accordance with benefit-specific requirements.
- 5.14.41 Where two NINOs/CRN/LMSs are present on any document, the Supplier shall index the document with the first printed NINO/CRN/LMS from the top left to bottom right of the first and subsequent pages of the document, unless it is a barcoded document which takes priority.
- 5.14.42 If no printed NINO/CRN/Claim Ref/LMS exists on the first page of the document, the Supplier shall index the document with the first listed NINO/CRN/Claim Ref/LMS from the top left to the bottom right pages of the document, subject to the Business Unit 's IBRs, unless it is a barcoded document which takes priority.
- 5.14.43 The Supplier shall only index using any NINO/CRN/LMS present on an envelope if no NINO/CRN/LMS can be found on documentation contained within the envelope. Where a DfCNI lead document is received bearing no National Insurance number the Supplier should refer to the last page where a DfCNI Identifier Template will be inserted. The Supplier should index the document using the NINO provided.
- 5.14.44 When the primary index value (NINO/CRN/Claim Ref/LMS) is not present on any documentation within an envelope, the Supplier shall index the Customer information as defined in the IBRs.
- 5.14.45 Debt Management Specific - if the NINO is not known, then the NINO field is completed as "AA000000A".
- 5.14.46 To comply with mandatory security requirements for Northern Ireland, and because DfCNI carries out its own mail opening and scanning, the Supplier shall be able to accept scanned images for indexing which have incurred no previous indexing and minimal batch preparation. The Supplier's solution shall be able to:
- (a) Accept scanned images for indexing in one large batch from DfCNI MOUs.
 - (b) Add all mandatory metadata to images received from the DfCNI MOUs at the point of indexing, assuming no metadata is provided at the point of scanning.
- 5.14.47 The Supplier shall ensure that any documents associated with a barcode shall have the metadata fields populated with all the data contained within that barcode.
- 5.14.48 The Supplier shall ensure that all Customer metadata from a barcode (NINO/CRN/LMS/Surname and Forename) is appended to all the documents within an envelope.
- 5.14.49 Where an envelope contains more than one document with a barcode the Supplier shall ensure that all documents within that envelope inherit the metadata from the first scanned barcoded document excluding document type.

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- 5.14.50 The Supplier shall ensure that all documents that are received have the document type indexed individually.
- 5.14.51 The Supplier shall ensure that all images of documents that are classified as a recognised document shall always have the "Document Type" metadata field populated.
- 5.14.52 The document type of WHITE MAIL – STRUCTURED (Doc Type 130) shall be used by the Supplier for all unrecognised forms. All unrecognised documents that are not forms are classified as document type WHITE MAIL – UNSTRUCTURED (Doc Type 131).
- 5.14.53 The Authority has an ambition for inbound mail to be fully automated, where possible, to enable accurate indexing to reduce the percentage of whitemail. To achieve this, the Supplier shall be encouraged to utilise any appropriate software available in the market.
- 5.14.54 When documents are received that do not have an envelope, the Supplier shall set the "Envelope ID" to a unique identifier for each Customer. This relates to mail received for scanning from other Authority offices, which will already have been opened.
- 5.14.55 The Supplier shall work with the Authority to achieve full automation of all documents.
- 5.14.56 PIP Specific - Where an envelope or Courier Polylope is received from an Assessment Provider, the Supplier shall use "Further Evidence" for all documents that are not barcoded or listed as PIP-recognised documents, in line with the Index Business Rules (IBRs).
- 5.14.57 The Supplier shall ensure that where documents are received from an Assessment Provider that the document source shall be set accordingly to "Inbound from the Assessment Provider". This requirement will allow the Authority to identify documents received from the Assessment Provider and will assist in the task assignment process.
- 5.14.58 The Supplier shall index documents with the first printed NINO/CRN/LMS identified from the top left to bottom right of the first and subsequent pages of each document within each envelope.
- 5.14.59 On completion of indexing, the Supplier shall pass through to FIMS DRS an image of all documents as "Open State" unless specifically requested to change to "Closed State" for specified benefits.
- 5.14.60 The Supplier shall index document type 4015 (UC7) as a "Closed State" document.
- 5.14.61 The Supplier shall treat any Social Fund document that is not a recognised Social Fund document as document type "Other JCP SF" (99).
- 5.14.62 The Supplier shall provide a solution for CRU that allows for indexing of mail using their CRU Reference Numbers rather than NINOs.

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- 5.14.63 For NINO Delivery Centre documents only, the Supplier shall ensure that, where a LMS reference is present, this shall take precedence over any other identifier for indexing.
- 5.14.64 The Supplier shall provide the following Services for the Authority:
- (a) Sort and prepare documents for scanning as per the agreed rules defined in this Specification.
 - (b) Scan documents at a resolution of 400 dpi black and white images.
 - (c) Scan items in duplex mode with auto blank page deletion.
- 5.14.65 Index documents as per the indexing rules. To comply with mandatory scanning and indexing requirements for Great Britain and Northern Ireland, the Supplier shall utilise the existing indexing rules to identify how they will determine the following fields for each on-boarded Document Type for each Benefit Type:
- (a) Document type.
 - (b) Customer NINO.
 - (c) Customer CRN/LMS.
 - (d) Customer Claim Ref.
 - (e) Customer Surname.
 - (f) Customer Forename.
 - (g) Customer Postcode.
 - (h) Customer Date of Birth.
 - (i) Customer Mobile Phone Number.
 - (j) Line of Business Case ID.
- 5.14.66 Utilise the existing IBRs to identify the metadata that must be captured for each Benefit Type, where the data is present on the document.
- 5.14.67 Convert images to multi-page Black and White PDF/A-1 format.
- 5.14.68 Create XML file as per the Technical Specification.
- 5.14.69 CMS Specific - Data shall be delivered to a CMS Interface folder. The Authority will provide Internet Protocol details prior to User Acceptance Testing (UAT).
- 5.14.70 Place the hard copy documentation in storage boxes and store boxes for a time specified by the Authority, usually 28 days but with exemptions. The Authority reserves the right to alter this period.
- 5.14.71 Carry out Secure Destruction processes on a monthly basis.
- 5.14.72 The Supplier shall scan Mail Items as batches by selecting prepared batches

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that have been created in the Supplier's imaging workflow system.

- 5.14.73 The Supplier shall use automatic image de-skew software which shall correct skew of up to 20 degrees of scanned images. Photocopies that have been received in a skewed state shall not be corrected. During preparation for scanning, should the Supplier visibly identify (without measurement) any pages where the information on the page may exceed this threshold of skew, the Supplier shall identify this document as a "Poor Quality Original", and it shall be treated as such.
- 5.14.74 The Supplier shall utilise the existing IBRs in order to be able to index documents.
- 5.14.75 The Supplier shall utilise the existing IBRs to identify how they will determine the Document Type for each Benefit Type. For each on boarded Benefit Type, The Supplier will be able to index the Document Type using the pre-existing Business Rules.
- 5.14.76 The Supplier shall utilise the existing IBRs to identify how they will determine the Customer NINO for each document for each Benefit Type. For each on boarded Document Type, for each Benefit Type, The Supplier will be able to index the Customer's NINO using the pre-existing Business Rules.
- 5.14.77 The Supplier shall utilise the existing IBRs to identify how they will determine the Customer CRN/LMS for each document for each Benefit Type. For each on boarded Document Type, for each Benefit Type, The Supplier will be able to index the Customer's CRN/LMS using the pre-existing Business Rules.
- 5.14.78 The Supplier shall utilise the existing IBRs to identify how they will determine the Customer Claim Ref for each document for each Benefit Type. For each on boarded Document Type, for each Benefit Type, The Supplier will be able to index the Customer's Claim Reference using the pre-existing Business Rules.
- 5.14.79 The Supplier shall utilise the existing IBRs to identify how they will determine the Customer Surname for each document for each Benefit Type. For each on boarded Document Type, for each Benefit Type, The Supplier will be able to index the Customer's Surname using the pre-existing Business Rules.
- 5.14.80 The Supplier shall utilise the existing IBRs to identify how they will determine the Customer Forename for each document for each Benefit Type. For each on boarded Document Type, for each Benefit Type, The Supplier will be able to index the Customer's Forename using the pre-existing Business Rules.
- 5.14.81 The Supplier shall utilise the existing IBRs to identify how they will determine the Customer Postcode for each document for each Benefit Type. For each on boarded Document Type, for each Benefit Type, The Supplier will be able to index the Customer's Postcode using the pre-existing Business Rules.
- 5.14.82 The Supplier shall utilise the existing IBRs to identify how they will determine the Customer Date of Birth for each document for each Benefit Type. For each on boarded Document Type, for each Benefit Type, The Supplier will be able to index the Customer's Date of Birth using the pre-existing Business Rules.

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- 5.14.83 The Supplier shall utilise the existing IBRs to identify how they will determine the Customer Mobile Phone Number for each document for each Benefit Type. For each on boarded Document Type, for each Benefit Type, the Supplier will be able to index the Customer's Mobile Phone Number using the pre-existing Business Rules.
- 5.14.84 The Supplier shall utilise the existing IBRs to identify how they will determine the Line of Business (LOB) Case ID. For each on boarded Document Type, for each Benefit Type, The Supplier will be able to index the Line of Business (LOB) Case ID using the pre-existing ID Business Rules for each document for each Benefit Type.
- 5.14.85 The Supplier shall utilise the existing Data Capture Rules to identify the metadata that must be captured for each Benefit Type. Each Benefit has differing rules on what metadata is required to be captured.
- 5.14.86 The Supplier shall utilise the existing IBRs to identify the requirements for metadata capture for each Benefit Type. The Supplier will capture the metadata items requested for capture by the Benefit (where the data is present on the document).
- 5.14.87 The Supplier shall have the ability to rescan a document if requested by the business. The business has the ability to request that a document is rescanned when viewing it. This is bound by the document's destruction period.
- 5.14.88 The Supplier shall be able to receive a rescan request from the Document Repository. The Supplier will be able to receive a rescan request from the Document Repository.
- 5.14.89 The Supplier shall be able to process a rescan request within 48 hours of receiving the request. Rescan requests are processed within 48 hours of receiving the request.
- 5.14.90 The Supplier shall utilise an automated indexing solution. This will reduce the overheads associated with manual indexation and would improve accuracy.
- 5.14.91 The Supplier shall work with the Authority to establish targets for an automated indexing solution. Automated indexing targets may be agreed upon between The Supplier and the Authority and the DfCNI.
- 5.14.92 The Supplier shall achieve an average of 90% accuracy across Business Unit s when identifying the Document Type using automation. When automation is used, at least 90% of Document Types will be identified correctly.
- 5.14.93 The Supplier shall still be able to use an automated indexing solution when text is white on a black background. A document with key identifiers that are in white text on a black background can be automatically indexed.
- 5.14.94 The Supplier shall be able to use automation on text that is font size 10 and above. A document with key identifiers that are in font size 10 can be automatically indexed.

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- 5.14.95 The Supplier shall be able to index documents separately when they are received in the same envelope. Where multiple documents are returned by the Customer in the same envelope, email etc. it is necessary that each document is indexed.
- 5.14.96 The Supplier shall individually index the Document Type for each document received in the same envelope. Each Document within an envelope is individually indexed for Document Type.
- 5.14.97 The Supplier shall index all documents received in the same envelope with the same unique "Scan Envelope I.D" All documents sent in the same envelope will be indexed with the same unique identifier.
- 5.14.98 DfCNI carry out their own mail opening and scanning. The scanned images are processed by the Strategic Scanning Solution and exported to the contractor. The contractor must be able to index these images. DfCNI, The Northern Ireland MOU complete the batch and scanning part of the process and the incumbent indexes the images received.
- 5.14.99 The Supplier shall be able to accept scanned images for indexing in one large batch from NI MOUs.
- 5.14.100 The Supplier shall be able to add all mandatory metadata to images received from the NI MOUs at the point of indexing. Assuming no metadata is provided at the point scanning. Images scanned at the NI MOUs will have all mandatory meta data added at the point of indexing, assuming no meta data is provided at the point of scanning.
- 5.14.101 CMS Specific - Images shall be imported into the Supplier system and where present barcodes read from images to create logical structure of images and/or apply metadata values.
- 5.14.102 CMS Specific - The Supplier shall be able to index CMS correspondence using CMS unique Identifiers for Clients, Employers and Third Parties. CMS requirements include Special Client Reference Number (SCIN), ERN and TRN. Other metadata is used to identify client/employer (i.e., PAYE Ref).
- 5.14.103 CMS Specific - The Supplier shall apply a Unique Reference Number (URN) to each Mail Item processed:
- (a) The URN will be automatically generated by the Supplier system.
 - (b) The URN will also be applied as metadata to all items within the envelope.
- 5.14.104 CMS Specific - Solicited mail shall be personalised by the Authority for each client or employer and contain an unencrypted 2D barcode containing the following metadata:
- (a) Form Type.
 - (b) SCIN or ERN.
 - (c) Service Request ID.

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(d) Activity ID.

5.14.105 CMS Specific - Full Authority (CMS) barcode structure is defined in the CMS Interface Definition Document held in the Business Reference Library.

(a) The Supplier shall automatically capture the data contained in the barcode extracting values and apply as metadata for the scanned images.

(b) The SCIN or ERN extracted from the solicited mail barcode shall be applied to all items in the Mail Item containing the solicited mail and used to populate the metadata field "CMEC ID" in the batch output.

(c) For the avoidance of doubt, the Supplier shall read and apply the values contained in the barcode and shall not be measured against the values contained within the barcode.

(d) Where SCIN or ERN is "EMPTY" the Supplier shall populate the metadata field "CMEC ID" value in the batch output as "U".

(e) CMS Specific - Unsolicited mail will not contain an Authority barcode. The Supplier shall review the pages of the correspondence and shall capture manually, if present, the following metadata items:

(i) SCIN (for client correspondence).

(ii) ERN (for Employer correspondence).

(f) CMS Specific - Where no valid SCIN, ERN or Account ID are found, then the Supplier shall capture further metadata for the Data Dip Service to populate the SCIN or ERN value.

5.14.106 CMS Specific - The Authority shall provide the Supplier with the Data Dip Service details during Implementation Services.

5.14.107 CMS Specific - For correspondence received by CMS GB or CMS NI allocated PO Box or Fax Number the Supplier shall capture, where available, the following metadata to form the Supplier Data Dip Service query:

(a) NINO

(b) Client forename

(c) Client surname

(d) Client postcode (as per Authority Postcode Address File format).

5.14.108 CMS Specific - For correspondence received by the Authority, allocated PO Box or Fax Number the Supplier shall capture, where available, the following metadata to form the Supplier Data Dip Service query:

(a) PAYE reference (if it is an organisation).

(b) NINO.

- (c) Company name.
- (d) Company postcode (as per agreed Authority Postal Address File format).

5.14.109 CMS Specific - The Supplier system will form a Data Dip query using captured metadata.

- (a) The Data Dip Service format, structure and exchange is defined in the Supplier CMS Interface Definition document.
- (b) As part of the Authority Data Dip Service the Authority will process the Supplier query and make available a Data Dip response.
- (c) The Supplier shall process the response to populate the SCIN or ERN and populated as the CMEC ID in the batch output.
- (d) Where no SCIN or ERN value is returned by the Authority a default value "U" shall be applied to the index field.
- (e) Where multiple SCIN or ERN values are found on the correspondence or returned from the Data Dip Service a value of "M" shall be applied to the SCIN or ERN and populated as the CMEC ID in the batch output.
- (f) Where additional information is captured to perform the Data Dip Service, this shall be provided as part of the metadata back to the Authority.
- (g) Captured SCIN and ERN values shall be validated by the Supplier using the Authority provided checksum algorithm. The Authority checksum algorithm is detailed in the Supplier CMS Interface Definition document.

5.14.110 CMS Specific – Third-Party Correspondence

- (a) The Supplier shall identify correspondence received by a third party via either the established third party (B2B) postal address, email address or the fax number.
- (b) For correspondence received to the postal and fax third party inbound contact points, a processing rule is required to identify only the ERN and TRN.
 - All other URNs (i.e., SCIN and ERN) referenced in all correspondence to any of the third-party contact points must be ignored. TRNs and ERNs will be identifiable by the prefix.
- (c) For all inbound emails (received at all email addresses), in addition to the extraction of the SCIN (for Client Correspondence) or ERN (for Employer Correspondence), the Supplier shall also look for a TRN from within the "Subject" field to be populated as the CMEC ID in the batch Output. Either SCIN or ERN or TRN will be populated in the "Subject" field for extraction.

5.14.111 CMS Specific - Full Mail Item metadata is defined in the Supplier CMS – Interface Definition Document held within the Business Reference Library.

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- 5.14.112 CMS Specific - The Supplier shall apply to each IOP processed a unique Payment Reference Number automatically generated by the Supplier system.
- 5.14.113 CMS Specific - The Supplier will also capture (where present) the following Metadata against each IOP order: for Cash:
- (a) Deposit type (as "CASH").
 - (b) Amount in GBP.
 - (c) Scheme Client Identification number (if available).
 - (d) Deposit type (as 'CHEQUE' or 'CASH' (used for postal orders)).
 - (e) Payer's sort code.
 - (f) Payer's account number.
 - (g) Cheque/postal order number.
 - (h) Amount in GBP.
 - (i) Client NINO (if available).
 - (j) Client PAYE (if available).
 - (k) Additional Reference Number (such as ALO number (if available)).
- 5.14.114 CMS Specific - Where data is marked as "if available" data will only be captured if available on the document being indexed. If the information is not found by the operator the field will be left blank.
- 5.14.115 CMS Specific - All other fields are mandatory and if not available the IOP will be processed as an exception.
- 5.14.116 CMS Specific - Where the item is a company cheque the company name may be used in the payer full surname field.
- 5.14.117 CMS Specific - The Supplier will apply "double key" indexing for IOP items which consists of two stages of indexing:
- (a) The Supplier will initially index IOPs against the scanned images of IOPs as a first stage manual index process.
 - (b) Following first stage indexing of IOPs the Supplier shall index against the original IOPs as extracted at preparation.
 - (c) Following first stage indexing of IOPs the Supplier shall index against the original IOPs as extracted at preparation.
 - (d) The Supplier system will compare values keyed at both stages.
 - (e) Where all values are the same the item will be marked as indexed.
 - (f) The values keyed at the final indexing stage will be applied to the output

for the item and the item marked as indexed.

5.14.118 CMS Specific - Full Mail Item indexing is defined in the CMS Interface Definition Document held within the Business Reference Library.

5.14.119 CMS Specific - Where the Supplier is unable to define the address to which a Valuables should be returned (the sender), the Valuables shall be forwarded to the Authority's Correspondence Team for processing. The Valuables metadata element 'sentToCMEC' in the outbound batch XML will be marked set "TRUE."

5.14.120 CMS Specific - Full Mail Item indexing is defined in the Supplier CMS Interface Definition Document held within the Business Reference Library.

5.15 File Transfer

5.15.1 The Supplier's scanned batches shall not exceed 9,999 images per document.

5.15.2 The Supplier shall send batches to the Authority FIMS throughout the Working Day. The Authority requires each completed batch to be transmitted to FIMS at the earliest opportunity.

5.15.3 The Supplier shall store all electronic files associated with Customer documentation for a specified period of time (to be agreed) from the point of creation.

5.15.4 The file batch transfer mechanism shall allow for the confirmation of batch receipt from FIMS.

5.15.5 Where an exception has been reported against a batch, the Supplier shall correct the defect and submit the batch again without impacting SLAs.

5.15.6 The Supplier shall create PDF/A-1 images from hard copy documents, ensure that all images are tagged for accessibility purposes, and that the images have "Fast Web View" enabled to allow for the streaming of the document.

5.15.7 CMS Specific - Pages within an envelope are to be assigned as the content of a document. Up to six black and white PDFs in PDF/A-1 format shall be produced in respect of each Envelope consisting of:

- (a) a maximum of 4 PDFs for discrete Valuables.
- (b) one PDF for all IOPs.
- (c) one PDF for "general content".
- (d) each PDF will be linked to the other contents within the same envelope and the envelope itself.

5.15.8 Full Specification is defined in the Supplier CMS Interface Definition document held within the Business Reference Library.

5.16 Image Quality

5.16.1 The Supplier shall undertake random sampling of 10% of images, as a minimum,

to check for general image quality and orientation (portrait) but not content.

5.16.2 The Supplier's operator shall check the image for:

- (a) Correct orientation.
- (b) Page fold (where the fold obscures the main content of the page).
- (c) Black border deletion.
- (d) Double feed (where a second page is visible on the image).
- (e) Content of the page.

5.16.3 If the image quality fails the reviews, then the affected pages shall be checked and, if required reworked accordingly.

5.16.4 All image, page and document counts shall be automatically generated by the Supplier's imaging workflow technology. The Supplier shall not undertake a manual count of images, pages, documents, or any other data within the scope of this Service.

5.16.5 The Supplier shall not be held responsible for the quality of the electronic image where the original document received for processing:

- (a) Contains faint or illegible/missing information, or
- (b) Contains information that has not been written in either black or blue ink, or
- (c) Contains text overprinted on shaded backgrounds or highlighted using a highlighter marker pen, or
- (d) Where the image is skewed greater than the threshold of correction by the Supplier's imaging software.

5.16.6 The Authority shall be required to approve image quality at the pre-production UAT stage based on the representative sample data presented for testing by the Authority. This test sample set of documents and the resultant images shall act as the benchmark for any future document quality and/or image quality related queries between the Parties. The Authority shall not unreasonably withhold approval and shall provide the Supplier with a response within a timely manner.

5.17 Rejected Images

5.17.1 The Supplier shall ensure any rejected images are remedied and rescanned.

5.17.2 The Supplier shall ensure that when a rescan request results in a single document being rescanned that the rescan request response includes the NINO/LMS/CRN and link data as contained in the original rescan request.

5.17.3 The Supplier shall ensure that when a rescan request results in multiple documents being rescanned, that the first rescanned document shall always include the original NINO/ CRN/LMS, and link data as contained in the original

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rescan request. Any subsequent documents rescanned shall be indexed as a new document as per the indexing and validation requirements with the rescan response field set to "Rescanned".

- 5.17.4 The Supplier shall ensure that when a document is rescanned that the retention period for all Customer-related paper documents is reset for an agreed period following the rescan date. The current period is 4 weeks from completion of the rescan unless other specific Business Rules apply.
- 5.17.5 The Supplier shall ensure that if all documents contained within an envelope are not rescanned, that the envelope integrity is maintained.
- 5.17.6 The Supplier shall process the Authority's requests for a re-scan (both manual and electronic):
 - (a) On the same Working Day when the request is received by 12:00, or
 - (b) The next Working Day when received at or later than 12:00.
 - (c) The Supplier shall process urgent re-scan requests within the timescales agreed with the Authority.

5.18 Integration

- 5.18.1 The Supplier shall develop, implement, and maintain where required throughout the term of the Contract appropriate integration components between the Supplier's IT Infrastructure and the Authority's IT Infrastructure applying a Role Based Access Control ("RBAC") approach.
- 5.18.2 The Supplier's responsibilities include working collaboratively with the Authority and its DRS Supplier to agree the interfaces and to specify the requirements for the necessary components needed on their estate to deliver scanned images into the Authority's DRS.

5.19 Document Storage (Mail-scanning)

- 5.19.1 There is no requirement for the Supplier to re-collate items to the original received state - items shall be kept in the batches created for scanning. Following completion of the process through the Supplier imaging and indexing workflow, batches of Mail Items shall be collated together. Envelope integrity shall be retained by presence of envelope or envelope slip sheet between documents.
- 5.19.2 The Supplier shall securely store all original documents at the Supplier's premises for 4 weeks from the date when the scanned image is successfully transferred to the FIMS, unless other specific Business Rules apply.
- 5.19.3 The Supplier shall not action any requests for original documents after 4 weeks from the date when the scanned image is transferred to FIMS, unless other specific Business Rules apply.
- 5.19.4 The Supplier shall securely destroy all original documentation within 5 Working Days of the document storage expiry date, unless otherwise agreed by the

Authority and in accordance with the Authority's security requirements.

5.19.5 CMS Specific - The Supplier shall securely store all hard copy items that have resulted in the production of a scanned image for a period of 6 weeks ("Short Term Storage") prior to Secure Destruction. As defined and as requested through Service Requests the Authority may require the Supplier to store items for the term of the Service ("Long Term Storage"). These items shall be excluded from the Supplier Secure Destruction process unless requested to be moved to Short Term Storage by the Authority through a Service Request. Hard Copy items marked for archive shall be stored in the Supplier's established secure storage environment. The Supplier shall:

- (a) Place batches of items in boxes assigned to Long Term or Short-Term Storage;
- (b) Place boxes of items in locations assigned to Long Term or Short-Term Storage within the Supplier secure storage environment;
- (c) Maintain a storage management system to track all items, boxes, and locations with associated retention periods. Movement of items and boxes into, within and out of the Supplier's secure storage environment shall be managed by this system.

5.20 Management Information

5.20.1 The Supplier shall work with the Authority to agree what transparent real time and historic Management Information (MI) will be provided.

5.20.2 The Supplier shall establish, implement, maintain, and manage a Service management performance reporting process that takes account of:

- (a) Day-to-day management of Service delivery.
- (b) Self-monitoring, recording and validation of scanning.
- (c) Provider performance ensuring that the Services are delivered in accordance with the service levels.
- (d) Provision of good Contract management between the Authority and the Supplier.
- (e) Provision of agreed MI to the Authority that documents the performance of the Services.

5.20.3 The Supplier shall establish, implement, maintain, and manage systems and processes that monitor, accurately record, and validate the performance of the Supplier.

5.20.4 The Supplier shall ensure that all systems and processes used for the monitoring and recording of the Supplier's performance are robust, provide a clear audit trail of evidence, and give confidence to the Authority that the Supplier is delivering the Services in accordance with the agreed service levels and in accordance with the Supplier's overall obligations under the Contract.

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- 5.20.5 The Supplier acknowledges that the Authority has the right to audit the Supplier's systems and processes used for the collection, collation and recording of evidence for the recording of its performance of Service delivery and the Supplier shall comply with the agreed audit activity.
- 5.20.6 The information provided by the Supplier is required for the following purposes:
- 5.20.7 To monitor the performance of the Supplier in the provision of the Services and the agreed service levels.
- (a) To monitor the Supplier's adherence to all standards and policies defined within the Contract.
 - (b) To provide information of various types to the Authority on Service provision in relation to this Contract, including all details of such information maintained by the Supplier for its own purposes in relation to the provision of the Services, and any other information agreed between both Parties.
- 5.20.8 The Supplier shall provide the Authority access to information on performance against Scanning service levels, and additional information as required by the Authority. This information may include but may not be limited to:
- (a) Health and safety issues.
 - (b) Resource (including human resource) issues.
 - (c) Risks.
 - (d) Issues with subcontracted scanning providers (including performance issues).
- 5.20.9 In the event of a major failure to meet Scanning service levels, the Supplier shall provide the Authority with a detailed report within 3 Working Days of the event, which includes the reason for failure and any action being taken to retrieve the situation.
- 5.20.10 The Authority may from time to time require ad-hoc reports to satisfy particular business requirements. The Supplier shall support the Authority's requirements and shall agree the content of the report with the Authority prior to its issue, at no additional cost to the Authority. The Supplier shall provide each report within the reasonable timescale specified by the Authority.
- 5.20.11 The Supplier shall ensure that all MI delivered to the Authority has been validated and is accurate.
- 5.20.12 The Supplier shall immediately provide exception reports to the Authority on any occasion when a breach of security standards, facilities, or procedures are identified.
- 5.20.13 The Supplier shall ensure that all MI captured can be reported upon within an agreed template using agreed systems and templates.

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- 5.20.14 All audit data shall be in a document which can be transmitted to Audit Trail Analysis System (ATAS) in the "Common Audit Record Format" document. The Common Audit Reference Format is the standard for all audit data generated by the Authority's IT systems to be supplied to ATAS.
- 5.20.15 The Supplier shall provide the complete MI on a monthly basis within 5 Working Days after the end of each month to the Authority's nominated team by Business Unit and office.
- 5.20.16 The Supplier shall capture the number of envelopes/batches received daily, and the date and time each batch is exported to FIMS and the FIMS receipt is received for the first 2 weeks. This shall then be provided by Business Unit and office on a weekly basis.
- 5.20.17 The Supplier shall ensure MI is provided to nominated business contacts daily for 2 weeks following initial migration of each benefit type, and then monthly from this point.
- 5.20.18 The solution shall be able to provide MI on the number of emails ingested.
- 5.20.19 The Supplier shall provide the Authority with the agreed transparent real time and historic MI, to enable the Authority to monitor business throughput as and when required.
- 5.20.20 The Supplier shall provide regular reporting to support the criteria set out in Schedule 24 (Reports and Records Provisions) of the Contract. Reporting structure, format, reporting periods and delivery information is set out below.
- 5.20.21 The Supplier shall provide the Authority with the following MI Reports:
 - (a) Daily Operational MI Report.
 - (b) Service MI Report.
 - (c) Financial MI Report.
- 5.20.22 Daily Operational MI Report:
 - (a) A Daily Operational MI Report shall be generated for each Service Day. The report will be formatted in CSV or Excel-suitable format as agreed by the Supplier and Authority for distribution via email to the stated Authority recipients.
 - (b) The Authority shall confirm to the Supplier the required recipients during Implementation Services.
- 5.20.23 To comply with mandatory reporting requirements for Great Britain and Northern Ireland MI reports are required by the Authority on a daily, and monthly basis to support back-end analysis. The Supplier shall provide the Authority with MI on a daily basis.
- 5.20.24 The Supplier shall produce a "Document Type by Office" report, and a "Batch Report" on each Working Day and these reports shall be provided to a defined

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Authority location by 11:00 on the next Working Day that follows the date of the report.

- 5.20.25 The Document Type by Office report shall identify the volume of individual document types processed for each Office on any given Calendar Day and will be produced for every Working Day of the year.
- 5.20.26 The Batch Report shall contain the following data as a minimum for each record:
- (a) Batch ID.
 - (b) Whether or not the batch was indexed on the day it was received.
 - (c) Envelope Count.
 - (d) Document Count.
 - (e) Image Count.
 - (f) The time and date at which the batch file was sent to the document repository.
 - (g) The time and date at which the response file was received.
 - (h) Destination DWP Office.
- 5.20.27 To comply with mandatory reporting requirements for Great Britain and Northern Ireland, the Supplier shall provide the Authority with Performance MI on a monthly basis. The Supplier shall provide a "Document Type by Office Monthly" which identifies the volume of individual document types processed for each Office for any given calendar month. The report shall be produced for every month of the year and shall be delivered to a defined Authority location by 11:00 on the fifth Working Day following the end of the month.
- 5.20.28 The Supplier shall produce a "Daily Volume by Service Tower and Business Line" that identifies the volume of each Service Tower and Business Line processed for each Working Day. The report shall be produced for every Working Day and shall be provided to the Authority by 11:00 on the next Working Day that follows the date of the report.
- 5.20.29 The Supplier shall produce a "Monthly Volume by Service Tower and Business Line" that identifies the volume of each Service Tower and Business Line processed for each Working Day in the previous calendar month. The report shall be provided to the Authority by 23:59 on the fifth Working Day following the end of the month.
- 5.20.30 The final outputs for daily and monthly reporting will be agreed between the Supplier and the Authority during Implementation Services.
- 5.20.31 The Supplier shall provide the Authority with MI on a daily basis. Various MI reports are required by the Authority on a daily basis to support back-end analysis.

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- 5.20.32 The Supplier shall produce a 'Document Type by Office' Report for every Working Day. The 'Document Type by Office' Report will be produced for every Working Day of the year.
- 5.20.33 The Supplier shall ensure that the 'Document Type by Office' Report is delivered to a defined Authority location by 11:00 on the next Working Day that follows the date of the report. The 'Document Type by Office' Report will be provided to the Authority by 11:00 on the next Working Day from the date on the report.
- 5.20.34 The Supplier shall produce a 'Batch Report' to provide details of each batch processed during the Calendar Day. A report will be produced that provides details of all batches processed on any given Calendar Day.
- 5.20.35 The Supplier shall ensure that the 'Batch Report' contains the following data as a minimum for each record:
- (a) Batch ID.
 - (b) Indexed.
 - (c) Envelope count.
 - (d) Document count.
 - (e) Image count.
 - (f) Time exported to document repository.
 - (g) Time response file received.
 - (h) Destination DWP Office.
- 5.20.36 The Batch Report will provide the following information for each processed batch:
- (a) Batch ID of the batch.
 - (b) Whether or not the batch was indexed on the day it was received.
 - (c) The number of envelopes contained within the batch.
 - (d) The number of documents contained within the batch.
 - (e) The number of images contained within the batch.
 - (f) The time and date at which the batch file was sent to the document repository.
 - (g) The time and date at which the response file was received.
 - (h) The office name to which the batch is directed.
- 5.20.37 The Supplier shall produce a 'Batch Report' for every Calendar Day. The Batch

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Report will be produced for every day of the year.

- 5.20.38 The Supplier shall ensure that the 'Batch Report' is delivered to a defined Authority location by 11:00 on the next Working Day that follows the date of the report.
- 5.20.39 The Supplier shall provide the Authority with Performance MI on a monthly basis. Various MI reports are required by the Authority on a monthly basis to support volume forecasting.
- 5.20.40 The Supplier shall produce a 'Document Type by Office Monthly' Report to identify the volume of each document type received for each Office during the course of a calendar month. A report will be produced that identifies the volume of individual document types processed for each Office for any given calendar month.
- 5.20.41 The Supplier shall produce a 'Document Type by Office Monthly' Report for every calendar month. The 'Document Type by Office Monthly' Report will be produced for every month of the year.
- 5.20.42 The 'Document Type by Office Monthly' Report will be provided to the Authority by 11:00 by the fifth Working Day of the following month.
- 5.20.43 The Supplier shall produce an SLA Performance Report for every calendar month. A report will be produced by The Supplier detailing their performance during the previous calendar month.
- 5.20.44 The Supplier shall publish the SLA Performance Report to a defined Authority location within 5 Working Days from the end of the month. The monthly Performance Report will be issued to the Authority by 23:59, 5 Working Days after the end of the previous calendar month.
- 5.20.45 The Supplier shall produce a report detailing Daily Volume by service line and Business Line for every Working Day by 11:00 the following Working Day.
- 5.20.46 The Supplier shall produce a report detailing monthly volume by service line and Business Line for every Working Day by fifth Working Day of the following month. The monthly Performance Report will be issued to the Authority by 23:59, 5 Working Days after the end of the previous calendar month.

5.21 Business Continuity and Disaster Recovery (BCDR)

- 5.21.1 In the event of a disaster, the Supplier shall be able to clear any and all backlogs as agreed with the Authority and revert back to 100% Service capacity and delivery within 24 hours.
- 5.21.2 The solution shall be constructed to be resilient in meeting the Authority's business requirements, i.e., the resilience of each of the individual components shall be considered such that a fault in any one component does not cause an uncontrolled system failure.
- 5.21.3 The Supplier shall ensure continued Service in the event of Service disruption. The Supplier will provide a Business Continuity Plan as per Section 11 which

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details the processes and arrangements the Supplier will follow to ensure continuity of Service following failure or disruption of any element of the Services and the recovery of Services in the event of a disaster within the recovery time agreed with the Authority.

- 5.21.4 The Supplier shall provide at least 4 weeks advance notice to the Authority of any proposed IT environment changes and upgrades.
- 5.21.5 The Supplier shall ensure that any proposed IT environment changes and upgrades are fully impacted for risks and appropriate mitigation by the Authority to ensure zero Service disruption prior to Implementation Services and throughout the Contract.
- 5.21.6 The Supplier shall not upgrade technologies that interface with the Authority without full impacting for risks and appropriate mitigation in place and ensuring zero disruption of the Service.
- 5.21.7 The Supplier shall not, in the event of a disaster, move or forward mail and documents to the Authority's locations without prior consent or instruction from the Authority.
- 5.21.8 To comply with mandatory IT system redundancy requirements for Great Britain and Northern Ireland, the Supplier shall produce, and review on an annual basis, a Disaster Recovery Plan which is approved and signed off by the Authority and DfCNI. The Supplier must demonstrate that they have an Incident Response Plan in place for issues related to data and systems, especially around a Cyber Security Incident.
- 5.21.9 To comply with mandatory IT system redundancy requirements for Great Britain and Northern Ireland, the Supplier shall have a Disaster Recovery solution for their scanning and indexing solution. The Disaster Recovery solution shall:
 - (a) Operate a Recovery Time Objective (RTO) of 24 hours to stand up the Disaster Recovery site should the primary scanning and indexing site go down.
 - (b) Operate a Recovery Point Objective (RPO) of Last updated batch ID at the DRS should the primary indexing and/or scanning site go down.
 - (c) Have the ability to process 100% of expected capacity of the primary scanning and indexing site.
- 5.21.10 To comply with mandatory IT system redundancy requirements for Great Britain and Northern Ireland, the Supplier shall have a failover solution in place for the scanning and indexing application and database. This Supplier must:
 - (a) Ensure that there is no data loss should the primary database go down.
 - (b) Ensure that no single point of failure should result in a system outage of more than 120 minutes.
- 5.21.11 The Supplier shall produce a Disaster Recovery Plan which is approved by the Authority and the DfCNI. The Supplier shall note that the Authority and the DfCNI

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will review the Supplier's Disaster Recovery Plan to ensure it meets expectations.

5.21.12 The Supplier shall produce a Disaster Recovery Plan. A Disaster Recovery Plan will be produced for the scanning and indexing Service.

5.21.13 The Supplier shall review the Disaster Recovery Plan with the Authority and the DfCNI in order to obtain sign off, The Disaster Recovery Plan will be signed off by the Authority.

5.21.14 The Supplier shall review the Disaster Recovery Plan with the Authority and the DfCNI on an annual basis to ensure that it is still fit for purpose. The Disaster Recovery Plan will be reviewed and updated as required on an annual basis.

5.21.15 The Supplier shall have a Disaster Recovery solution for scanning and indexing. The functions must be maintained in the event of a major incident.

5.21.16 The Supplier shall have a failover solution in place for the scanning and indexing application and database. The failover solution will minimise the impact of any fault or failure in the primary application.

5.21.17 The Supplier shall ensure that there is no data loss should the primary database go down.

5.21.18 The Supplier shall perform secure back-ups of all Authority Data and ensure that up-to-date back-ups are securely stored off-site.

5.22 Data Ingestion and Automation

5.22.1 The Supplier shall work with the Authority to exploit software to its full potential to support development of data capture and ingestion.

5.22.2 The Supplier shall enable the extraction of data from forms for the Authority's utilisation and retention.

5.22.3 The Supplier and its sub-contractors shall support, demonstrate, and develop increased Service automation over the life of the Contract.

5.22.4 The Supplier shall automate the indexing of the NINO/LMS/CRN, or any other reference number as defined by the Authority's Business Rules.

5.22.5 The Supplier shall identify and deliver a solution to automate the indexing of the Authority's metadata.

5.22.6 The Supplier shall work with the Authority to develop a solution to automate the recognition of unsigned claims/applications (to be specified by the Authority).

5.23 Email Ingestion

5.23.1 The Supplier shall provide a solution that delivers, improves, and builds upon the Authority's existing ingestion of e-mails and attachments across all their service lines.

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- 5.23.2 The Supplier shall securely forward to the Authority any emails with attachment(s) inappropriate for ingestion for manual processing action, unless specified for other action in a separate requirement.
- 5.23.3 The Supplier shall ensure Email Ingestion includes the storage as a separate document of the body of the email in its entirety (e.g., the inclusion of the header and signature details).
- 5.23.4 The Supplier shall ensure that email attachments are suitable prior to ingestion. This will include virus checking with suitable virus recognition software.
- 5.23.5 The Supplier shall ensure the virus scanning software used to scan attachments is regularly updated to industry standard.
- 5.23.6 The Supplier shall not ingest emails with attachments that have been identified as a threat during the virus scan. These should be removed to a quarantine area within the Supplier's systems and disposed of securely.
- 5.23.7 The Supplier shall notify the Authority of any emails that are received where the attachment has been identified as not being suitable for ingestion.
- 5.23.8 The Supplier shall ingest any emails without an attachment and create a single task.
- 5.23.9 The Supplier shall be able to index each attachment (including attachments within attachments, and all documents within a zip folder) as individual documents.
- 5.23.10 The Supplier shall treat each email as an envelope, with the email body and all attachments as distinct documents within that envelope.
- 5.23.11 The number of images created to support a document ingested via email shall be limited to 1,000.
- 5.23.12 The solution shall be able to record the received date of the email as the date of receipt for all documents within that email including attachments and the email body.
- 5.23.13 The Supplier shall ensure that 100% of emails received by 16:00 on each Working Day shall be issued to the Authority by 17:00 the same day.
- 5.23.14 The Supplier's platform for provision of Email Ingestion into the Authority shall be available to receive and process emails over daily operational hours.
- 5.23.15 The Supplier's platform for provision of Email Ingestion into the Authority shall be available to receive and process emails outside of Service Hours.
- 5.23.16 CMS Specific - Emails shall require no manual processing by the Supplier but shall be retrieved by the Supplier from the Authority CMS Interface server and processed by the Supplier system automatically at all times.
- 5.23.17 CMS Specific - The Supplier shall index, format, and deliver ingested email images as per inbound postal correspondence as defined in this Specification.

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The Supplier shall process electronic inbound correspondence as priority above postal correspondence. Electronic inbound correspondence shall not require processing through the Authority Data Dip Service. The Supplier will hold electronic inbound correspondence for 48 hours after completion of processing and successful delivery to the Authority prior to data being deleted (file system header removal) from the Supplier systems.

5.24 Change Control

- 5.24.1 The Supplier shall work collaboratively with the Authority on the Implementation Services of future forms and form redesign.
- 5.24.2 The Supplier shall ensure that their solution utilises the Authority's existing standardisation tool, which is used to deliver Business Rules, on-boarding, and other new or changed or improved items.
- 5.24.3 The Supplier shall allow for the introduction of new documents and changes to the configuration of existing documents, including the withdrawal of configured documents within 6 weeks of the business request.
- 5.24.4 The Supplier shall be able to build, test and deploy a new code package within 4 weeks of the provision of an input file for a reference data only change.
- 5.24.5 The Supplier shall be flexible enough to accommodate non-functional changes to Authority-issued guidance.
- 5.24.6 The Supplier shall work with the Authority to develop a solution to bring other Authority sites and businesses on board.
- 5.24.7 The Supplier shall be flexible enough to provide new mail opening, Email Ingestion, scanning, indexing, or any other solution for new areas of the Authority's business which requires them.

5.25 Maintenance

- 5.25.1 The Supplier shall be able to provide support outside of the regular scanning and indexing hours to complete live testing activities. The Supplier must be able to support out-of-hours assurance activities when changes are made to other applications.
- 5.25.2 The Supplier shall be able to hold back Mail Items as directed by the Authority to be scanned outside of regular Service Hours. Documents will be set aside for scanning outside of the hours of normal processing.
- 5.25.3 The Supplier shall be able to support the investigation of incidents outside of regular Service Hours. Critical and major incidents, as defined in DWP's service management Terms of Reference, will be investigated outside of the hours of normal processing.
- 5.25.4 The Supplier shall be able to support the resolution of incidents outside of regular Service Hours. The Supplier will make available resources to support the resolution of critical and major incidents, as defined in DWP's service management Terms of Reference outside of the hours of normal processing.

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- 5.25.5 The Supplier shall be able to confirm receipt of response files outside of regular Service Hours. The receipt of response files, corresponding to outbound files sent as part of out of hours testing, will be confirmed.
- 5.25.6 The Supplier shall have the ability to make code deployments outside of the regular scanning and indexing hours. To minimise impact to the Authority, it is preferred to make application changes outside of the Working Day. Resources required to implement changes should be available to support this.
- 5.25.7 The Supplier shall have the ability to make functional changes outside of regular Service Hours. Functional changes to the scanning and/or indexing applications are made outside of the hours of normal processing.
- 5.25.8 The Supplier shall have the ability to make reference data changes outside of regular Service Hours. Reference data changes to the scanning and/or indexing applications are made outside of the hours of normal processing.
- 5.25.9 The Supplier shall work with the Authority to identify a suitable timeframe to make any determined code deployments. The Supplier will confirm they are able to support the requested Implementation Services date or make alternative suggestions where the date cannot be fulfilled.
- 5.25.10 The Supplier shall make available all employed resources required to support the delivery of a code deployment into live. All activities associated with a code deployment can be supported by the necessary Supplier resources.

6. Digital Mailroom - Technical Specification

6.1 General

- 6.1.1 For understanding the rationale below, technical requirements set out in the following sections, please refer to the high level and detailed technical requirements in MCD Annex 1 – Technical Requirements Rationale.

6.2 Audit

- 6.2.1 To comply with mandatory audit requirements for Great Britain and Northern Ireland, the Supplier shall produce daily reports to support the reconciliation of envelopes between themselves and other Suppliers. The Supplier shall produce a "Reconciliation Report" to identify all Envelopes (whether physical or virtual) processed during a Calendar Day:
 - (a) The Reconciliation Report will be produced for every Working Day and any files automatically processed during a weekend/Bank Holiday would be classed in the next Working Day's processing and included in that file.
 - (b) The Supplier shall ensure that the Reconciliation Report is delivered to a defined Authority location by 11:00 on the next Working Day following the date of the report.
 - (c) The Supplier shall produce the Reconciliation Report with a minimum of the following data points for each record:

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- (i) Envelope ID.
- (ii) Batch ID.
- (iii) Business Unit.
- (iv) Document Source.
- (v) Benefit Type.
- (vi) Export Date and Time.
- (d) The Supplier shall produce one rescan report to identify all batches and one rescan report to identify all envelopes that were rescanned during a Calendar Day. rescan reports shall be produced every Working Day.
- (e) The Supplier shall ensure that rescan reports are delivered to a defined Authority location by 11:00 on the next Working Day following the date of the report.
- (f) To comply with mandatory audit requirements for Great Britain and Northern Ireland, the Supplier must ensure that all scanned and indexed correspondence is successfully sent to the DRS i.e., Evidence Store. The Supplier shall reconcile all batches sent to the DRS against the batch Receipt Files received and identify any batch for which a receipt file was not returned. In the event that any batches are missing, incidents can be raised as per the relevant guidance.

6.3 Availability

6.3.1 To comply with mandatory availability requirements for Great Britain and Northern Ireland, the Supplier must ensure that Production Infrastructure shall have at least 99.99% availability. The Supplier shall ensure that the maximum unavailability of the Production Infrastructure is 0.01% in any given calendar year ($\text{Availability (\%)} = \text{Uptime} / (\text{Uptime} + \text{Unplanned Downtime}) \geq 99.99\%$). The Supplier shall provide a monthly report to identify all planned and unplanned outages for the Production Infrastructure, with a minimum of the following data points for each event:

- (a) Start time.
- (b) Description.
- (c) Scheduled.
- (d) Resolution (as applicable).
- (e) End time.

6.3.2 To comply with mandatory availability requirements for Great Britain and Northern Ireland, the Supplier must ensure that Non-Production Infrastructure shall have at least 99.99% availability, on demand (spin up/down) when it is required to test non-production data. The Authority expects the Supplier to have an integrated environment ready and when the need is exhausted, the Supplier can spin down those environments. The Supplier shall ensure that the unplanned unavailability of each Non-Production Infrastructure instance is at a maximum unavailability of 0.01% in any given calendar year, ($\text{Availability (\%)} = \text{Uptime} / (\text{Uptime} + \text{Unplanned Downtime}) \geq 99.99\%$). The Supplier shall provide a monthly report to identify all planned and unplanned outages for the Non-Production Infrastructure, with a minimum of the following data points for each event:

- (a) Start time.
- (b) Description.
- (c) Scheduled.
- (d) Resolution (as applicable).
- (e) End time.

6.4 Hosting

- 6.4.1 To comply with security requirements for Great Britain and Northern Ireland, the Supplier must ensure that Production Infrastructure is hosted in a safe environment conforming to the security requirements of Schedule 5 (Security Management)

6.5 Integration

- 6.5.1 To comply with mandatory requirements for Great Britain and Northern Ireland, the Supplier shall integrate with the Authority's IT estate. The Supplier will receive all interface files from the Authority using the Authority's preferred file transfer mechanism. The strategic integration solution for the Authority and DfCNI is anticipated to be based upon a Zero Trust centric design. This would entail a https endpoint that accepts binary / tar files with a client certificate from the Authority's Private CA for mTLS connections.

- (a) The Supplier shall transfer and receive batch files and all interface files to the Authority, including the DRS, using the Authority's preferred file transfer mechanism.
- (b) The Supplier shall be able to ideally support TLS v 1.3 mutual authentication, and at a minimum, over TLS v 1.2.
- (c) The Supplier shall be able to support the SHA-256 and SHA-384 cipher suites.
- (d) The Supplier shall encrypt the data during file transfer between the new infrastructure and the Authority's Secure network.
- (e) The Supplier shall share certificate details to enable mutual authentication.

- 6.5.2 CMS Specific - The Supplier shall work with the Authority to integrate with the Child Maintenance Service's (CMS) "Documentum" system. The interface enabling delivery of files from the Supplier to the CMS Systems is based on the specification defined in the Authority CMS Interface Definition document held within the Business Reference Library.

- (a) The full specification for the Closed Loop Acknowledgement is defined in the Authority CMS Interface Definition document held within the Business Reference Library.
- (b) The full Specification for Delivery of Data to the Authority (CMS) is defined in the Authority CMS Interface Definition document held within the Business Reference Library.
- (c) Transfer
 - (i) Data shall be transferred between the Supplier and CMS using SFT (TLSv1.2 or newer).
 - (ii) CMS shall host SFT (Servers) Agent. The Supplier shall manage

and operate SFT agents and JRE version (for running the Agent), as directed by the Authority, inclusive of the procurement and renewals for any certificates required.

- (iii) All data transfer sessions shall be mutually authenticated using a mutually agreed Certificate Authority (CA).
- (iv) Frequency of data transfer between the Supplier and the Authority will be detailed in the Authority CMS Interface Exchange.
- (v) Remote Folder Structure is detailed in the CMS Interface Definition document held within the Business Reference Library.
- (vi) All transfer sessions shall be initiated by the Supplier.
- (d) CMS Specific Connectivity Details – Data transfer sessions through SFT shall comply with the Authority's SFT standard certificate requirements and PKI related to transfer shall adhere to the Authority Security standard SS-002: Public Key Infrastructure & Key Management (Published on GOV.UK).

6.5.3 To comply with mandatory integration requirements for Great Britain and Northern Ireland, the Supplier must be able to support the current set of interfaces with GB & NI scanning application and move with the Authority when Zero Trust has been implemented across the Authority's estate. The Supplier shall replicate the current interfaces between the current indexing application and DWP Evidence Store and shall adhere to integrate to the Authority's Zero Trust centric design with a connection over the Internet, ideally secured over TLS v1.3, and at minimum, over TLS v1.2

- (a) The Supplier shall be able to send a batch file to the DWP Evidence Store. The Authority will write the User Story Integration pattern. The Supplier shall supply the filename pattern and source directory.
- (b) The Supplier shall be able to package the batch into a TAR file.
- (c) The Supplier shall ensure that the name of the batch file, trigger file and folder structure is the same as the batch ID. The Supplier shall ensure:
 - (i) The name of the TAR file is the same as the batch ID.
 - (ii) The name of the batch folder is the same as the batch ID.
 - (iii) The name of the trigger file is the same as the batch ID.
- (d) To ensure the batch file will be accepted by FIMS and ingested into the DRS, the Supplier shall adopt the current batch structure for files sent to the DWP Evidence Store.
 - (i) The Supplier shall be able to output document images in PDF/A-1 format with the output document image having a PDF file extension.

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- (ii) The Supplier shall be able to output a document in its native format when the document is an email attachment and shall not convert to a different file type.
- (iii) The Supplier shall produce one batch index file per batch containing the metadata for the document images.
- (iv) The Supplier shall ensure the name of the batch index file is named transact.dat.
- (v) The Supplier shall ensure that in the batch index file there is one metadata record for each document in the batch.
- (vi) The Supplier shall adopt the Authority's current batch index file structure, or such other file structure as notified by the Authority.
- (vii) The Supplier shall ensure that the following metadata fields are non-null for each record in the batch index file:
 - Document Type (MET 8).
 - Business Unit ID the document is directed to (MET 12).
 - Scan batch ID in which the document is contained (MET 13).
 - Scan Envelope ID in which the document is contained (MET 14).
 - Scan document unique identifier for the Document (MET 16).
 - Number of image pages in the document file (MET 20).
 - Classification of whether the document is supporting or ephemeral (MET 25).
 - Document source the ingestion channel the document was received through (MET 31).
 - Document status (MET 34).
 - Organisation name - defaulted to DWP (MET 40).
- (viii) The Supplier shall produce one trigger file per batch.
 - To ensure the batch file will be accepted by FIMS and ingested into the DRS, the Supplier shall adopt the current trigger file's structure.
 - The Supplier shall transfer batch files to the DWP evidence as soon as they are produced.
 - The Supplier shall be able to receive and process the Batch Response File's XML.
- (ix) CMS Specific - Metadata for the CMS Service shall be exchanged

between the Supplier and Authority through the established and agreed interfaces:

- "Establish Scheme ID" "Document SCIN look-up".
- "Receive Batch" – "Document Data Batch".
- "Provide Batch Reconciliation" – "Batch Closed Loop (CLOOP) Response".
- "Receive Destroyed Items" - "Document Destruction Log".
- "Receive Payment Schedule" – "Payment Schedule".
- "Receive Document Moves" – "Document Location Update".
- "Receive Scanning Audit" – "BIP0008 Batch Audit Data".
- "Receive Scanning MI" – "Daily MI Report".

6.5.4 To comply with mandatory integration requirements for Great Britain and Northern Ireland, the Supplier shall utilise the existing error codes that are defined in the DWP Evidence Service and returned in the Batch Response File. The Batch Response File returned by the DWP Evidence Application contains a 4-digit error code in case of a fault. The Supplier shall be able to recognise and process new 4-digit error codes that are introduced.

- (a) The Supplier shall be able to translate a 4 error code to understand the cause of error, when returned within the Batch Response File from the DWP Evidence Store. When the Supplier is notified of an error through the Batch Response File, they shall take the required action to address the error and resubmit the batch.
- (b) The Supplier shall continue to meet processing SLAs in the event the batch requires resubmission.

6.5.5 To comply with mandatory integration requirements for DfCNI scanned files, the Supplier must be able to support the current set of interfaces with the NI scanning application and move with the Authority when Zero Trust has been implemented across the Authority's estate. The Supplier shall replicate the current interfaces between the current indexing application and the Northern Ireland scanning application. The Supplier shall adhere to integrate to the Authority's Zero Trust centric design with a connection over the Internet, ideally secured over TLS v1.3, and at a minimum, over TLS v1.2.

- (a) Batch files sent from the DfCNI Scanning System will be received by the Supplier.
- (b) The Supplier shall only index the batch file sent from the DfCNI Scanning System. The scanned images will be indexed, and a batch file shall be created to be sent to the DRS.
- (c) There will be no measurable difference in the quality of indexing

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performed for a document scanned by the Supplier and a document scanned by the DfCNI scanning team and the Supplier shall provide the same indexing Service regardless of whether they have completed the scanning.

- (d) The Supplier shall be able to process DfCNI batch files across the full timescale of the contracted Service Hours, within which there will not be a timeframe when the DfCNI batch files cannot be processed.
- (e) The Supplier shall send DfCNI a confirmation response (ACK) once the integrity check of any batch file sent by DfCNI has been checked and confirmed.
- (f) The Supplier shall produce the ACK file with the current structure, enabling DfCNI to receive and process the ACK file.
- (g) The Supplier shall produce the ACK file in an XML format enabling DfCNI to receive and process the ACK file.
- (h) In the case that a batch file contains one or more images that the Supplier is unable to process the Supplier shall reject the whole batch file and send DfCNI a rejection file (XRJ).
- (i) The Supplier shall produce one XRJ file for each image that requires rescanning.
- (j) The Supplier shall produce the XRJ file with the current structure enabling DfCNI to receive and process the XRJ file.
- (k) The Supplier shall produce the XRJ file in an XML format enabling DfCNI to receive and process the XRJ file.
- (l) The Supplier shall send DfCNI a batch completion file (CLOOP) once they have been issued with a corresponding Batch Response File by the DRS.
- (m) The Supplier shall produce the CLOOP file with the current structure enabling DfCNI to receive and process the CLOOP file.
- (n) The Supplier shall produce the CLOOP file in an XML format enabling DfCNI to receive and process the CLOOP file.

6.5.6 To comply with mandatory integration requirements for Great Britain and Northern Ireland, the Supplier shall be responsible for ensuring that any interface file being passed into the Authority's secure network is received. The Supplier shall be responsible for the delivery of the interface message to a specified end point within the Authority's secure network and have an approach in place to investigate any failures.

- (a) If a response message for a single batch file is not returned within 5 minutes, the file transfer shall be reattempted up to a maximum of 3 attempts.
- (b) If after 3 attempts at sending a single batch file, no receipt message is

received, the Supplier will have a process in place to investigate any unreconciled batches and will enact this process.

6.6 Maintenance

6.6.1 To comply with mandatory maintenance requirements for Great Britain and Northern Ireland, the Supplier shall be able to support an Integrated Test Phase.

- (a) For DfCNI, this testing will involve the DfCNI Mail Opening Unit (MOU) and the Intelligent Automation Garage.
- (b) As the end-to-end solution is constructed from multiple applications it is important that prior to the initial Operational Service Commencement Date and for subsequent code releases, that there is an ability to test the change. From an Authority's perspective, the first step will be to test with non-live like data in a test environment, referred to as "non-production". Once this is confirmed, the next step will be to test with live-like data in a staging environment referred to as "pre-production".
- (c) The Supplier shall have a live-like test (i.e., pre-production) environment available to support an Integrated Test Phase with other component providers. The pre-production environment must:
 - (i) Allow the Authority to conduct an Integrated Test Phase with the Supplier.
 - (ii) Have a test environment that will mimic core processing functionality.
- (d) The Supplier shall be able to deploy a code set to the test i.e., non-production environment used for integration testing, as requested by the Authority.
- (e) The Supplier shall be able to provide resources to support an Integrated Test Phase consisting of a pre-production and non-production environment. Scanning and indexing activities of an Integrated Test Phase will be completed by the Supplier.
- (f) The Supplier shall be able to support integrated testing for any existing ingestion methods including:
 - (i) Test Scenarios for correspondence requiring central scanning.
 - (ii) Test Scenarios for documents sent via email.
 - (iii) Test Scenarios for documents sent from the DfCNI Mail Opening Unit and Intelligent Automation Garage.
- (g) As part of the mandatory maintenance requirements for Great Britain and Northern Ireland, it is critical that the integration between the scanning and indexing application and the DRS is proved as part of the readiness activities for the Operational Service Commencement Date. The Supplier shall integrate a test environment into the Authority's existing integrated

test environment as part of the transition to operational services.

- (h) The Supplier shall integrate an instance of the Production Infrastructure with the Authority's Integrated Test pre-production environment prior to integration into the live estate. A file for each interface should be sent between the indexing application and the Authority via the agreed file transfer mechanism into the Authority's pre-production environment
- (i) The Supplier shall support the test of the integration between the new application and the DWP Evidence Store prior to integrating into the live estate. The scanning, indexing and transfer of documents forming the scope of a test suite must be completed successfully prior to Contract commencement.
- (j) As a core maintenance criterion for Great Britain and Northern Ireland, the Supplier shall retain a live-like test environment that is integrated with the Authority's integrated test environment (non-production and pre-production), following the completion of pre-Operational Services Commencement Date assurance activities.
 - (i) Once there is a live instance, a file for each interface should be sent between a live-like test indexing application and the Authority via the agreed file transfer mechanism.
- (k) As part of the mandatory maintenance requirements for Great Britain and Northern Ireland, the Supplier shall be able to support parallel releases as there is the potential for multiple code streams to be developed in parallel to support separate releases. These delivery lifecycles must be able to run in parallel to enable a faster rate of change.
 - (i) The Supplier shall be able to support at least 2 code sets in non-Production environments at any given time and have the ability to:
 - (ii) Build 2 separate code sets in parallel.
 - (iii) Test 2 separate code sets in parallel.
 - (iv) Build 1 code set in parallel with testing another code set.
- (l) The Supplier shall be able to make available sufficient resources to be able to support at least 2 parallel releases.
- (m) The Supplier shall be able to support multiple code sets in parallel irrespective of the document source, ensuring that the ability to run development activities in parallel for different document sources.

6.6.2 As a core maintenance criterion for Great Britain and Northern Ireland, the Supplier shall be able to deliver a new build within 4 weeks of the provision of an input file for a reference data only change, delivery timescales must include build, test, and deploy a new code package.

6.6.3 As part of the mandatory maintenance requirements for Great Britain and Northern Ireland, it is important that application software used by the Supplier is

maintained and that upgrades and code fixes are deployed to ensure the product remains supported. The Supplier shall maintain the application software and comply with the Authority's patching policy. The Supplier shall ensure that application software is maintained, and that upgrades and code fixes are deployed to ensure the product remains supported.

6.6.4 Updates must adhere to the following criteria:

- (a) At least one application software upgrades will be scheduled every 3 months.
- (b) The Authority shall be provided 4-weeks' advance notice of any scheduled upgrade of whether any changes are to be made, and the Supplier shall inform the Authority of all application changes.
- (c) Patch fixes recommended by the software provider shall be deployed into the live estate within 2 weeks of notification of availability.
- (d) Patch fixes to address critical security issues shall be deployed into the live estate within 24 hours of the patch being made available.
- (e) The Supplier shall comply with the Authority's patching standard, as detailed in Schedule 5 (Security Management).
- (f) The Supplier shall have in place a clear regression path to safely regress any application software changes.
- (g) The Supplier shall test any application software changes in a non-production environment prior to deployment into the live estate and must provide a release note confirming that testing has been successfully completed.
- (h) The Supplier shall provide assurance that any application software changes have been successfully tested and deployed and that there is no impact to the live Service.
- (i) The Supplier shall schedule Infrastructure upgrades on at least a quarterly basis but as frequently as required by the Authority's policy. The file transfer mechanism will be a pattern which will comply with the Authority's connectivity/integration standards

6.6.5 The Supplier shall work with the Authority to identify a suitable timeframe to make any determined code deployments and make available all employed resources required to support the delivery of a code deployment into live.

6.6.6 To comply with mandatory maintenance requirements for Great Britain and Northern Ireland and to realise efficiencies in sharing a common service management application, the Supplier shall integrate into the Authority's Problem and Incident Management Solutions. As such, the Supplier shall:

- (a) Utilise the existing DWP Place Service common to its Enterprise Document and Records Management System (EDRMS) solution for all problem and incident management.

- (b) Comply with the Authority's incident and problem SLAs.
- (c) DWP's standard incident resolution times are :-
The date and time from the point the incident is opened until the date and time the incident is resolved, regardless of where the incident is assigned and including all incident states.

P1 and P2 incidents
Measured 24 hrs per day, 7 days per week, 365 days per year (366 days in a leap year)
Priority 1 = 90.00% in 2 hours
Priority 2 = 95.00% in 8 hours

P3 and P4 incidents
measured
8am to 8pm Monday to Friday
8am to 5:00pm Saturday
Priority 3 = 95.00% in 20 hours (2 working days)
Priority 4 = 90.00% in 30 hours (3 working days)
- (d) Not used
- (e) Meet the overall contractual obligations as outlined by the Authority.

6.7 Regulatory

- 6.7.1 To comply with mandatory regulatory requirements for Great Britain and Northern Ireland, the Supplier shall operate a data retention policy. Data will be retained in line with policies provided by the Authority. These shall include:
 - (a) [DWP Information Management Policy \(www.gov.uk\)](https://www.gov.uk/government/policies/dwp-information-management-policy).
 - (b) [DWP Managing Customer Records Guide \(www.gov.uk\)](https://www.gov.uk/government/guides/dwp-managing-customer-records-guide).
- 6.7.2 The Supplier shall store all electronic files associated with Customer documentation for 10 Working Days from the point of creation and shall specify the deletion standard that was adhered to.

6.8 Reporting

- 6.8.1 To comply with mandatory reporting requirements for Great Britain and Northern Ireland, the Supplier shall provide real time MI to the Authority. The Supplier shall work with the Authority to identify and define a relevant set of real time MI to be made available on a real-time basis.
- 6.8.2 The Supplier shall ensure that access to any real time MI is via a secure method, where access to the MI can be restricted. The Supplier's solution shall:
 - (a) Ensure access is restricted to specified users.
 - (b) Ensure the MI solution meets the Authority security standards.

6.9 Scalability

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6.9.1 To comply with mandatory scalability requirements for Great Britain and Northern Ireland, the Supplier shall be able to scale up technical capacity to process higher volumes of documents beyond the existing annual forecast.

6.9.2 To comply with mandatory scalability requirements for Great Britain and Northern Ireland, the Supplier shall have the technical capacity to process up to 125% of monthly forecast work. The Supplier shall therefore be able to meet the agreed scanning and indexing SLAs when operating at 125% of forecast volumes.

6.10 Scanning and Indexing

6.10.1 To comply with mandatory scanning and indexing requirements for Great Britain and Northern Ireland, the Authority uses an Onboarding tool called 'Standardisation Tool' to align supplier builds. This is used by the Authority to produce a number of output files for Supplier's to build from, generated from one common input.

- (a) The Supplier shall use the output files from this tool related to "Scanning" and "Indexing", for their IT builds, to ensure alignment with other applications.
- (b) The Supplier shall use the Standardisation Tool and specifically the outputs for "Scanning" and "Indexing" from this tool, to build the reference data in the solution.
- (c) The Supplier shall update the "Scanning" and "Indexing" reference data using the Standardisation Tool outputs provided by the Authority.

6.10.2 To comply with mandatory scanning and indexing requirements for Great Britain and Northern Ireland, the Supplier shall use the Authority's Evidence Metadata model, which will be provided during Implementation Services, to define the values for each metadata item and to ensure reference data common to all Suppliers continues to be utilised.

- (a) The Authority defines how to identify each document type and where to identify metadata within it, and the Supplier shall utilise the existing IBRs in order to be able to index documents.

6.10.3 To enable the Authority to pursue opportunities in Robotics, the Supplier shall have the ability to produce an output TAR file in machine-readable text form.

6.10.4 To comply with mandatory scanning and indexing requirements for Great Britain and Northern Ireland, the Supplier shall have the ability to produce an output TAR file in machine readable text form. This TAR file shall contain a PDF/A-1 version of the image and an XML file of the metadata along with the Transact.dat and EOB file. This output shall be in machine-readable text form at accuracy of 75%.

- (a) The Supplier shall advise the Authority on how the accuracy of conversion to machine readable text form could be improved. The Authority will be informed of ways they could support an increase in the accuracy of

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conversion and of ways the Supplier plans to increase the accuracy of conversion.

- 6.10.5 To comply with mandatory scanning and indexing requirements for Great Britain and Northern Ireland, the Supplier shall have the ability to read and extract data from the Authority barcodes and QR codes on documents.
- 6.10.6 To comply with mandatory scanning and indexing requirements for Great Britain and Northern Ireland, the Supplier shall be able to apply a marker to a batch to indicate that further indexing is required. The Supplier must be able to identify and separate envelopes that are subject to enhanced indexing from those that are not.
- (a) The Supplier must be able to apply a flag to the batch trigger file to indicate that the batch is subject to enhanced indexing and will be set for all enhanced indexing batches.
 - (b) The Supplier must be able to apply a flag to a record in the batch index file to indicate that the document is subject to enhanced indexing. The enhanced indexing flag will be set against all documents within an enhanced indexing batch, which require enhanced indexing.
- 6.10.7 To comply with mandatory scanning and indexing requirements for Great Britain and Northern Ireland, the Supplier shall be able to support the Authority's Email Ingestion solution. The Supplier's email ingestion solution shall:
- (a) Have the ability to poll multiple Authority email mailboxes to ingest emails for ingestion using modern authentication.
 - (b) Poll the Authority mailboxes every 15 minutes.
 - (c) Treat the email as an envelope, with the email body and any valid attachments being treated as documents within this envelope.
 - (d) Delete mails from the Authority mailbox after they have been ingested.
 - (e) Convert the entire body of the email to a PDF file type, including header and signature.
 - (f) Convert any attachment to a PDF file type, unless the attachment is to be retained in its native format based upon its Document Type. Attachments that are to be retained in their native format will be sent to the DRS without conversion.
 - (g) Index all documents contained within the email.
 - (h) Not convert or index any emails that are encrypted, have a password protected attachment or contain an attachment in an invalid file format.
 - (i) Forward any emails that are exempted from the indexing process to a central Authority mailbox.
 - (j) If the contents of an email are identified to be relating to multiple

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Customers, The Supplier shall not index any Customer details.

- (k) Documents making up the email will be indexed as having an Email Ingestion Document Source.
- (l) Not generate a Batch Receipt file when the document source is Email Ingestion.
- (m) Not generate a batch complete file when the document source is Email Ingestion.
- (n) CMS Specific - Electronic email correspondence related to CMS will be made available to the Supplier by the Authority on an Authority hosted CMS Interface server. The Supplier shall check for email files on the Authority CMS Interface server at least every 15 minutes during Service Hours. (The frequency of polling will be reviewed and agreed between the Supplier and the Authority during testing).
 - (i) Where files are present the Supplier will download files to the Supplier CMS via CMS Interface. Successfully downloaded files will be removed from the Authority CMS Interface by the Supplier.
 - (ii) The Supplier will render the body of the email and associated attachments to TIFF image. XML schema and Text structure will be defined and agreed during Implementation Services.
 - (iii) The Supplier will support the following formats for email attachments. A requirement to process any other electronic document file format or versions of the agreed formats will be managed through the Change Control Procedure. In the intervening period, any attachments received by the Supplier that are not in the agreed format shall be treated as an exception.
 - Microsoft Word (97, XP, 2003, 2007, 2010, 2013, 2016, Office 365)
 - Microsoft Excel (97, XP, 2003, 2007, 2010, 2013, 2016, Office 365)
 - Open Document Format Word Processing Documents
 - Open Document Spread-sheet Documents
 - PDF
 - GIF
 - JPEG
 - HTML
 - (iv) Emails shall require no manual processing by the Supplier but shall be retrieved by the Supplier from the Authority CMS Interface

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server and processed by the Supplier system automatically at all times.

- 6.10.8 To comply with mandatory scanning and indexing requirements for Great Britain and Northern Ireland, the Supplier shall scan all mail at 400dpi bi-tonal black and white.
- 6.10.9 To comply with mandatory scanning and indexing requirements for Great Britain, the Supplier shall ensure that the batch content files are correctly orientated, ensuring any text is the correct way up the for the user to read.
- 6.10.10 To comply with mandatory scanning and indexing requirements for Great Britain, the Supplier shall remove blank pages during the scanning and indexing process and shall not pass any blank pages to the DRS.
- 6.10.11 To comply with core mandatory scanning and indexing requirements for Great Britain, the Supplier will confirm they are using image clean-up tools and shall clean up images at the point of scanning to improve readability. Such clean-up activities must include, as a minimum:
- (a) An attempt to remove watermarks from all scanned images.
 - (b) An attempt to remove punch mark holes from all scanned images.
 - (c) Removal of scanning artefacts from all scanned images.
 - (d) Text sharpening on scanned images.
- 6.10.12 To comply with core scanning and indexing requirements for Northern Ireland, the Supplier will crop images of defined documents for specified benefits.
- 6.10.13 To comply with mandatory scanning and indexing requirements for Great Britain and Northern Ireland, the Supplier shall generate unique identifiers regardless of the document source. Therefore, for each batch, regardless of the ingestion route, the Supplier shall:
- (a) Generate a unique Scan Batch ID.
 - (b) Generate a unique Scan Envelope ID (including virtual envelopes).
 - (c) Generate a unique Scan Document ID.
- 6.10.14 The Authority may introduce, during the Term, the requirement for mandatory validity checking of certain evidence documents received at the Mail Opening Unit. When/if this requirement is presented to the Supplier, the Supplier will be required to capture details of the validity checks as metadata, to be included along with the scanned images.
- 6.10.15 The Supplier shall capture the following validity checks, as metadata:

Validity Metadata Fields
Source

This field captures the details of the document source i.e., the MOU processing the document
Check Performed By
To capture the details of the agent who has performed the document checks
Check Performed Date
To capture the date that the agent performed the document checks
Basic Check
<p>The agent/system checking the evidence must be able to confirm whether they are checking an original, certified copy or scan of the evidence.</p> <p>If they are checking the original and it looks the way, it should then this field will carry the value "PASS", else "FAIL".</p>
Expiry Check
<p>The Agent/system to check the validity of the document by checking the expiry date of the document. This may not be relevant for all the documents but for documents like passport, driving license, this needs to be checked.</p> <ul style="list-style-type: none"> • If the document expiry date is still within scan date, then this field will carry the value "PASS", else "FAIL". • If this check is not relevant to the document, then the field carries the value "NA".
UV/IR Check
<p>The agent or system doing this check will need to use a UV or IR light to make sure the evidence has not been tampered with, any fluorescent features look the way they should, any alignment of the evidence looks the way it should.</p> <ul style="list-style-type: none"> • Based on the outcome, this field will carry the value "PASS", else "FAIL". • If this check cannot be performed by the agent or if it is not applicable for the document, then the field carries the value "NA".
Visible Check

The agent/system must ensure the received document is original and not the scanned or photocopy of the document. Also, to check against the official template to check the following features:

- Background printing
- Font and alignment
- Holograms and positioning
- The way it has been laminated
- The position of the photograph on the evidence
- Designs printed with optical variable ink
- Format of any compound identifiers e.g., Driver and Vehicle Licensing Agency (DVLA) driver number in the driving licence.
- Though not all might be applicable for a certain document, as long as the visible checks are undertaken, then this field will carry the value "PASS", or "FAIL".
- If this check cannot be performed, then the field carries the value "NA"

Physical Check

Along with the visible security feature and UV or IR security feature check, the agent to perform the physical check of the document by making sure:

- The designs printed using intaglio ("raised") ink look the way they should
- The designs that have laser etched, look the way they should
- Other features are consistent and correct across different sections of the evidence.
- If the agent can perform these checks on the document and if it's relevant for that document, then this field will carry the value "PASS", else "FAIL".
- If this check cannot be performed, then the field carries the value "NA".

6.11 Security

6.11.1 To comply with mandatory security requirements for Great Britain and Northern Ireland, the Supplier shall protect all data from unauthorised use and disclosure. The Supplier shall ensure that:

- (a) Electronic data is stored in line with the Authority's security policies.
- (b) Access to electronic data is restricted to authorised user groups.
- (c) Databases hosting Authority data are encrypted at FIPS 140-2 level 2 certification or greater.

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- 6.11.2 To comply with mandatory security requirements for Great Britain and Northern Ireland, the Supplier shall:
- (a) Have a clear audit trail identifying all users who have accessed electronic files containing Customer information.
 - (b) Provide an audit log of access to an electronic Customer file within 2 Working Days of request.
 - (c) Ensure that records of every access event are stored for 3 months from the point of occurrence.
- 6.11.3 To comply with mandatory security requirements for Great Britain and Northern Ireland, the Supplier shall upgrade security definitions within 3 weeks of request by either the Authority or DfCNI.
- 6.11.4 To comply with mandatory security requirements for Great Britain and Northern Ireland, the Supplier must ensure that they track changes to the environment used for interfacing with the Authority's systems and processing the Authority data. This allows the Authority to observe any changes to environment for audit, change management and maintenance purposes. These need to be managed in a ticketing system such as Jira or Remedy.
- 6.11.5 To comply with mandatory security requirements for Great Britain and Northern Ireland, the Supplier shall deploy a full Information Security Management System (ISMS) and demonstrate that their Information Risk Management strategy aligns to industry standards e.g., Cyber Essentials, ISO 27001.
- 6.11.6 To comply with mandatory security requirements for Great Britain and Northern Ireland, the Supplier shall maintain a comprehensive and up-to-date Information Security Risk Register and a current ITHC, conducted within the last 12 months and annually.
- 6.11.7 The Supplier shall detect and manage vulnerabilities and security misconfigurations in a timely manner.
- 6.11.8 The Supplier shall follow government guidelines in [ITHC supporting guidance \(www.gov.uk\)](https://www.gov.uk).

7. Records Management

7.1 Records Management Overview

- 7.1.1 The Authority has a long-term requirement for hard copy records storage. This will involve storage, indexing, intake, maintenance, retrieval, box consolidation, and destruction of Records. At times there may be a requirement for sortation and extraction, and the Authority will work with the Supplier via the agreed Change Control Process. The Authority also has specific requirements for Corporate Records which are detailed in [subsection 6.12 et seq.](#)
- 7.1.2 The Authority's expectation is that there will be approximately 9.4m Records at commencement of the Contract. The Authority has the intention of further reducing the holdings with the support of the Supplier throughout the Term. The

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expectation is that the requirement for storage initially would be around 222k cubic feet per month.

- 7.1.3 The Supplier shall provide a working space at the Record Store for carrying out Service Performance and Contract monitoring activities such as compliance checks against service levels and destruction exercises at the facility whenever required by the Authority. The Authority will also require a designated space for corporate services.

7.2 Records Management System

- 7.2.1 The Authority's current stock is O'Neil Order.
- 7.2.2 The Supplier shall provide a Records Management (RM) System to digitally manage the records to satisfy both the Authority and the Supplier's requirements.
 - (a) For the Supplier, this will involve being able to manage and provide MI, lift embargoes, and identify destructions, both individual and bulk.
 - (b) For the Authority, this includes managing indexing, closures, retrieving from and returning records to storage, and having accessible MI to view.
- 7.2.3 The RM System will be hosted and managed by the Supplier.
- 7.2.4 The System Data Fields should include:
 - (a) Tape Code (alphanumeric).
 - (b) Filefolder Code (alphanumeric).
 - (c) Container Code (alphanumeric).
 - (d) Account (26 alphanumeric).
 - (e) Location Code (alphanumeric).
 - (f) Container Code (alphanumeric).
 - (g) Contained-In Date (10 date format).
 - (h) Item Status (15).
 - (i) Permanent (Must No) (3 Yes/No).
 - (j) Alternate ID (15 alphanumeric).
 - (k) Description (40 alphanumeric).
 - (l) Security Code (2 alphanumeric).
 - (m) Category Code (8 alphanumeric).
 - (n) Sequence Begins (15 alphanumeric).
 - (o) Sequence End (15 alphanumeric).
 - (p) From Date (10 date format).
 - (q) To Date (10 date format).
 - (r) Destroy Date (10 date format).
 - (s) UDF1 (25).

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- (t) UDF2 (25).
- (u) UDF3 (25).
- (v) UDF4 (25).
- (w) User Defined.
- (x) Date (10 date format).
- (y) Charge for Storage (3 = Yes/No).
- (z) Set (15 alphanumeric).
- (aa) Object Code (10 alphanumeric).
- (bb) Add date (10 date format).
- (cc) Status Date (10 date format).
- (dd) Records Series Code (20 alphanumeric).

- 7.2.5 The Supplier shall enter into its own commercial arrangement for the licence to run the RM System with the Third-Party Provider of the software package.
- 7.2.6 Once the Service has been fully transitioned, the Supplier shall fully manage and maintain the RM System on behalf of the Authority, using its own IT infrastructure to achieve this. The Authority's users will utilise the RM System for its operational requirements. The Authority requires training, with the relevant access, to run ad hoc reports from the RM System for metadata and run specific queries.
- 7.2.7 The Supplier shall note that transition between contracts may require dual running of both contracts for a period of time. The Supplier shall work with the Incumbent Supplier and the Authority to maintain business continuity in relation to the RM System during any such transition period. This will be discussed further during Implementation Services.
- 7.2.8 The Supplier will work with the Authority to ensure that the RM System meets the requirements of the business, its users, and MI provision.
- 7.2.9 The Authority shall retain exclusive ownership of the electronic data recorded on the RM System and the structural content. The data will be transferred to the Supplier prior to the Operational Services Commencement Date. This will include personal data for the Authority's Customers and personnel.
- 7.2.10 The format for data transfer and all other requirements will be agreed between the Supplier and the Authority during Implementation Services.
- 7.2.11 The Supplier shall comply with the Authority's Acceptable Use Policy, which will be provided during Implementation Services.
- 7.2.12 The Supplier shall utilise DWP Place for Service management support activities.

7.3 Records Management System Availability

- 7.3.1 The Supplier shall ensure that the RM System is available and accessible to all Authority users 99.99% of the time. If there are any incidents where the RM System is unavailable, the Supplier must contact the Authority in order to notify Service users.
- 7.3.2 The Supplier shall ensure that the IT infrastructure supporting the RM System is available 24/7 365 days a year including public holidays, apart from during scheduled downtime, as agreed with the Authority in advance during Implementation Services.
- 7.3.3 The Supplier shall ensure that the running of any Reports does not adversely affect RM System availability.

7.4 Bulk Intake

- 7.4.1 The Authority expects the initial bulk intake of Records to be agreed between the Supplier and the Incumbent Supplier. During transition, the Authority will have 2 contracts running concurrently, so the Supplier shall work alongside the Incumbent Supplier to ensure business continuity.
- 7.4.2 The process will include but not be limited to the following steps:
 - (a) The Incumbent Supplier shall ensure that all records are individually barcoded.
 - (b) The Incumbent Supplier shall ensure that the boxes are barcoded, and quality checked, with their contents validated against the database to ensure that all the Records are present within the box.
 - (c) The Incumbent Supplier shall ensure that all boxes placed on pallets and shrink-wrapped ready for transportation to any proposed new location.
 - (d) The Supplier will issue confirmation of receipt.
 - (e) The Supplier will have a process in place for checking that all Records sent are received at the new location.
 - (f) The Supplier will deliver a remediation plan to address any errors identified. The Supplier will provide the Authority with assurance that this has been completed.
- 7.4.3 From 1st November 2025, the Authority estimates there will be approximately 9.4m Records in 200k boxes on circa 5,000 pallets. The requirement being that the Records are transported and onboarded to the Supplier's Record Store within 12 months. In any scenario when Records are being moved, the vehicle on which records are transported must complete with no break in journey.

7.5 Intake New and Intake Return

- 7.5.1 Intake New Records

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- 7.5.2 Intake New Records which have never been in storage will be classed as Intake New. MI on this is required in order to support the Authority with compliance.
- 7.5.3 Intake Return Records
- 7.5.4 Intake Return Records which have previously been in storage within the Record Store, which are barcoded will be classed as Intake Return, when they are returned by the Authority to the Record Store. MI on this is required in order to support the Authority with compliance.
- 7.5.5 Where the Supplier identifies that a listed Record is not present, the Supplier shall notify the relevant Authority user (details to be agreed) by email that the Record has not been received within 6 Service Hours of the discovery.
- 7.5.6 On receipt of Records, the Supplier shall conduct a physical check against the Authority's non-conformance Checklist to identify any Records that are non-compliant. The Authority's non-conformance Checklist will be provided during Implementation Services.
- 7.5.7 Where the Supplier deems a Record to be non-conformant, the Supplier shall attach a non-conformance document to each Record to explain why the Record is being returned and return it by Courier.
- 7.5.8 The Supplier shall present a non-conformance document template to the Authority for approval during Implementation Services.
- 7.5.9 Non-conformance information will be notified to the Authority's Contract Management team monthly.
- 7.5.10 Where a Record is deemed, by the Supplier, to be damaged prior to it being received, processed, and stored in the Record Store, the Supplier shall replace any box, Record cover, associated barcodes and labelling as required.
- 7.5.11 The Supplier shall ensure that it allocates a Unique Location Identifier in the storage facility for all Records within 24 hours of receipt by the Supplier.
- 7.5.12 The Supplier shall reconcile all Records against the RM System and record the intake of the Records into the RM System within 6 hours of Receipt.
- 7.5.13 The Supplier shall place the Records into a box for storage within the storage facility within 24 hours of Record receipt.
- 7.5.14 The Supplier shall ensure that the Record is available for retrieval within 48 hours of its receipt.
- 7.5.15 This will only be instructed by the Authority for specified DWP Benefits. The Authority may require the Supplier to Index Records onto the RM System. This will involve the input of the following data fields:
 - (a) Name.
 - (b) NINO.

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- (c) Date of Birth.
- (d) Benefit Type.
- (e) Record Barcode.

7.5.16 The process then will be the same as Intake New and Intake Return as detailed in 6.5.1 and 6.5.2

7.6 Storage

7.6.1 The Supplier shall manage the storage of all the Authority's hard copy Records, which must always be stored with the classification of OFFICIAL as a minimum, as set out in [His Majesty's Government's \(HMG\) Security Classifications \(www.gov.uk\)](http://www.gov.uk) or in accordance with any alternative standards specified by the Authority.

7.6.2 The Supplier shall ensure Records are stored in such a way that best utilises the storage space available in the storage facility.

7.6.3 At present, items pertaining to a Customer are stored as a parent Record and Non-Associated Post (NAP). These may be in separate locations in the storage facility but are connected by the NINO identifier on the RM System. The Authority is open to improvements on any storage arrangements as part of the Supplier's contractual commitment to innovation and continuous improvement.

7.6.4 The Supplier shall undertake ongoing space creation activity as part of the core Records management Service, to realise quantifiable space, at no additional cost to the Authority. This is barring costs associated with the destruction of items which will be charged at the agreed rate. Parameters, targets, and timescales will be agreed during Implementation Services and reviewed monthly as part of ongoing Contract performance management activity.

7.6.5 The supplier shall undertake regular reviews to ensure cubic storage is maximised to provide the best value for money. The Authority will undertake a biannual compliance check.

7.6.6 All pizza boxes are contained within A4 boxes, with 6 individually barcoded pizza boxes per A4 box. The current box dimensions are:

- (a) A4: L: 400mm, W: 280mm, H: 280mm, cu ft: 1.102.
- (b) Pizza boxes: L: 203mm, W: 45mm, H: 303mm, cu ft: 0.1.

7.6.7 The Supplier shall be responsible for ensuring that Records do not become damaged during Implementation Services or whilst in the storage facility. The Supplier shall take all reasonable steps to ensure that Records are protected against deterioration, including but not limited to damage from water, fire and smoke, chemical substances, and pests, in addition to the behaviour of employees.

7.6.8 As and when any damage is identified to boxes or the covers which hold Records, the Supplier shall immediately replace them, including replacement of

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all required labelling and Barcodes, at no cost to the Authority.

- 7.6.9 The Supplier shall immediately report to the Authority's Contract management team any issues that impact on the Supplier's ability to deliver the Services.

7.7 Retrieval

- 7.7.1 The Supplier shall provide a retrieval Service to the Authority, accepting requests for retrievals via the RM System which shall include but not be limited to:

- (a) Picking Records from shelves (or pallets) from the storage facility.
- (b) Preparing Records for transportation via Courier.

- 7.7.2 All orders to be sent in full, (for multiple Customers or same Customer but multiple records) should be fulfilled and returned in their entirety unless specified otherwise.

- 7.7.3 The Supplier may receive a request for the retrieval of Records by email, for and by the Devolved Administrations. The contents of the Records may need to be sorted and information extracted prior to the Records being scanned.

- 7.7.4 For information, the current monthly retrieval rates in June 2023 were:

- (a) Corporate Records – 2812.
- (b) Debt Records – 35.
- (c) HR Records – 231.
- (d) Benefit Records – 5317.

- 7.7.5 If the RM System is unavailable to Authority users, the Supplier shall accept retrieval requests by telephone and email. Telephone requests will require a confirmation email prior to the Supplier releasing the Record to a Business Unit. The Supplier shall ensure that all such requests received under these circumstances are recorded on the RM System by the Supplier within 3 hours of the RM System becoming available again so that tracking and monitoring processes are maintained.

- 7.7.6 Retrieval Urgent

- 7.7.7 The Supplier shall have in place a process for dealing with urgent requests when received before 13:00hrs on a Working Day and make the requested item(s) available for collection the same day. The Supplier shall ensure that the RM System is updated in real time to track the movement of the Records during the retrieval process.

- 7.7.8 Retrieval Image

- 7.7.9 The supplier shall have in place a process for dealing with a request for a scanned image.

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- 7.7.10 The Supplier shall implement and manage robust formal procedures to prevent the dispatch of Records to any site not designated as an agreed delivery site.
- 7.7.11 Not Found Procedure
- 7.7.12 The Supplier shall implement and manage a robust formal 'Not Found Procedure' for records. The Authority requires the Supplier to provide a process for these instances and requires the Supplier to report these on a monthly basis within the monthly Management Information pack.
- 7.7.13 The Supplier shall have robust procedures in place to ensure that Records dispatched from the Record Store are only sent to authorised recipients within the Authority.
- 7.7.14 The Supplier shall notify the Authority of any requests for Records to be delivered outside of this designated site list or authorised recipients within 24 hours.
- 7.7.15 The Supplier shall ensure that the RM System is updated in real time to track the movement of any retrieved Record during the retrieval process. All Records subject to a retrieval request will be made available for collection the day after the retrieval request was received.
- 7.7.16 The Supplier shall work with the Authority to establish what ad-hoc data field amendments can be made by users within the RM System to ensure uniformity.

7.8 Retrieval – Scan-On-Demand

- 7.8.1 From 1 November 2025 the Authority requires an efficient scan-on-demand Service to be introduced. This will involve retrieving, preparing, and digitally scanning a Record currently held within storage to the business and includes ad hoc or bulk requests.
- 7.8.2 This service line will not be required until 1 November 2025, after the current Records Management Contract ends, as a minimum.
- 7.8.3 The Authority shall, at this stage, confirm whether the scan-on-demand process will be used for full Records or individual items within a Record prior to the Operational Service Commencement date for this service component.
- 7.8.4 Records that are suitable for scan-on-demand will be subject to Business Rules, retention periods, and scan-on-demand must represent the best value for money, for that Record, when compared to storage and retrieval. Not all Records suitable for retrieval will be suitable for scan-on-demand.
- 7.8.5 In the event that the scan-on-demand requirement is not utilised the Retrieval volumes will absorb the percentage allocated to Retrieval scan-on-demand.
- 7.8.6 The Record/s retrieved may need to be prepared for scanning. This will include but is not limited to the removal of treasury tags, staples, and paperclips. As many of the Records held in storage are historic, there may be additional preparation required ahead of for scanning due to the quality of contents of the Record.

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7.8.7 Once scanned, the Record will need to be destroyed in accordance with the retention policy of scanned documents and a Destruction Certificate is required, as detailed in [Section 6.10](#) (Destruction of Records). The Records Management indexing system will need to be updated in real time to show the Record is now stored digitally.

7.8.8 Where bulk scanning exercises are required, the Authority will work with the Supplier to determine the best action and associated costs.

7.9 Transportation of Records

7.9.1 The Supplier shall ensure that it utilises the Courier. The Supplier shall not charge business areas for the transportation costs of Records as these costs will be paid for by the Authority, excepting transportation required for bulk transfers/exercises.

7.9.2 The Supplier shall ensure that all Records relating to an individual retrieval request are consolidated into a Courier Polylope or box prior to being dispatched.

7.9.3 The Supplier will be required to make use of the Courier's web-based software to generate delivery address labels. The Supplier shall attach the delivery address label to each Record prior to the Record being made available for collection by the Courier.

7.9.4 The Supplier shall ensure that each Record is sealed and secure prior to the Record being made available for collection by the Courier.

7.10 Destruction of Records

7.10.1 To comply with mandatory regulatory requirements for Great Britain and Northern Ireland, the Supplier shall operate a data retention policy. Data will be retained in line with policies provided by the Authority. These shall include:

(a) [DWP Information Management Policy \(www.gov.uk\)](#).

(b) [DWP Managing Customer Records Guide \(www.gov.uk\)](#).

7.10.2 In certain instances, the Authority requires the Supplier to update the RM system, on its behalf, with destruction dates provided by the Authority. Specific examples are the Nil Balance reports received from Debt Management, which will need to be uploaded onto the RM system. The Authority will work with the Supplier as required.

7.10.3 The Supplier shall ensure that all Records which are marked as "Exception" either through markings on the RM System or as otherwise instructed by the Authority are not destroyed until the restrictions are explicitly removed by the Authority.

7.10.4 BAU Destruction

7.10.5 BAU destructions, are the daily destruction notifications, received from the RM System. The Supplier shall destroy these records within 30 Calendar Days of

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the destruction notification

7.10.6 Non-BAU destruction

7.10.7 Where a specific destruction exercise is required, the Supplier must provide timescales for completion in their response, with progress reported in the monthly MI. These will be classified as non-BAU Destructions, resulting from data match scans or Change Requests (CRs) which will be provided by the Authority.

7.10.8 As soon as a Record has been destroyed, the Supplier shall archive all associated electronic Record history and data held on the RM System for 6 months following destruction. After the 6-month period has elapsed, the Supplier shall retain and securely store the Record history and data in an accessible format in an archive database within the RM System until the archive database is scheduled for deletion.

7.10.9 The Supplier shall delete all Record history and data held in the archive database after the time specified by the Authority's retention policy has elapsed. The Supplier shall ensure the Data is deleted within 24 hours of the retention period elapsing.

7.10.10 Control Data Change

7.10.11 The Supplier will identify, correct, and update any incorrect data held within the RM system and work with the Authority, to ensure that data is maintained to a high integrity and quality.

7.10.12 Bulk Data Upload / Amend/ Download

7.10.13 The process required to handle the bulk upload of information, provided by the Authority, to support data match and Debt Management Nil Balance Scans. The Authority and the Supplier will work together during the bulk upload of information from the DWP systems.

7.11 Bulk Projects

7.11.1 The Authority will require the Supplier to undertake Bulk Projects on an ad-hoc basis.

7.11.2 The Supplier shall be required to undertake Bulk Projects on an outcome/output basis i.e., payment against results.

7.11.3 Bulk Projects will be arranged through the Authority Representative and timescales will be determined between the Authority and the Supplier.

7.11.4 Upon receipt of instruction and the information required to undertake the Bulk Project, which the Supplier shall acknowledge receipt of within 24 hours, the Supplier shall provide the Authority with a clear proposal of how the project will be undertaken and the costs involved within 7 days. The proposal shall include but shall not be limited to:

(a) clear timescales for undertaking the Bulk Project.

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- (b) a detailed breakdown of costs.
- (c) risks and dependencies; and
- (d) key project benefits including but not limited to, savings against business-as-usual costs.

7.11.5 The Supplier shall undertake all necessary activity in connection with requests for ad-hoc Bulk Projects. This shall include, but may not be limited to:

- (a) Bulk Intake of Records to the File Store or exporting Records to another location for Destruction.
- (b) Bulk Destruction of Records following the lifting of a Destruction Embargo.
- (c) Bulk decants of Records to enable targeted reduction of Records holding.
- (d) Bulk changes of ownership of Records on internal reorganisation.
- (e) Bulk amendments to Destruction Dates of Records.
- (f) Bulk Uplift and transport of Records.
- (g) Bulk Data upload and download on the Records Management system; and
- (h) Sortation of Records
- (i) Extraction of Records.
- (j) Records preparation for scanning

7.11.6 All Bulk Projects are to be performed as per the written instruction from the Authority.

7.12 Records Management Consumables

7.12.1 The Supplier shall make available and provide to the Authority the consumables required to fulfil the Records Management Service component. This shall include but shall not be limited to boxes, barcodes, and other consumables specified herein.

7.12.2 Consumables (Box)

7.12.3 The Supplier shall supply A4 boxes to the Authority for business areas to use. Business areas will submit requests for boxes to the Supplier via the RM System. The Authority retains the right to purchase boxes through alternative contractual arrangements and the Supplier shall accept these boxes providing that they are of the appropriate materials and dimensions.

7.12.4 Consumables (Record Barcode)

7.12.5 The Authority requires the Supplier to provide the Record barcodes necessary for records to entered onto the RM system.

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7.12.6 Consumables (Box Barcode)

7.12.7 The Supplier shall provide box barcodes which are required for boxes to be entered onto the RM system.

7.12.8 The Supplier is responsible for provision of all consumables required by the Supplier to fulfil the Contract (including Bulk Intake), which shall be provided at no extra cost to the Authority. This includes but is not limited to:

7.12.9 Euro pallets.

7.12.10 British standard pallets.

7.12.11 Shrink wrap or environmentally friendly alternatives.

7.13 Corporate Records and Registered Files

7.13.1 The Corporate Records reflect a unique set of requirements that bind to the Authority to constraints outside its control such as the Public Records Act. The requirements in this section relate exclusively to Records that are classified as Corporate Records and should not be applied to any other Record type. The Supplier shall work under the instruction of the Authority's personnel within DRO team for all Corporate Records, which include Registered Files.

7.13.2 Where no specific requirements are stated within the Corporate Records and Registered Files subsections, the Service requirements outside these subsections shall apply.

7.14 Corporate Records Intake

7.14.1 The Supplier shall ensure all non-indexed Registered Files sent into the Record Store are receipted, barcoded, and indexed in accordance with the Authority's indexing instructions (which will be provided during Implementation Services), stored in a Unique Location, and entered on the RM System within 24 hours of receipt by the Supplier.

7.14.2 The Supplier shall ensure that indexed Registered Files that are returned to File Store by the Authority are receipted and stored within 48 hours of receipt.

7.14.3 Where a Registered File is deemed by the Supplier to be damaged prior to it being processed and stored in the Record Store, the Supplier must not replace any Record cover but shall contact the DRO team by email or telephone for further instruction.

7.14.4 Where a non-conformant Registered File is identified during intake, the Supplier shall return the record along with a completed non-conformance document to explain why the Registered File has been returned to the Sender. (The Authority will provide a detailed description of non-conformant Registered Files during Implementation Services).

7.14.5 Where the information on the front of the Registered File includes "Destroy Now" the Supplier shall deliver the Registered File to the DRO team. Upon instruction from the DRO team the Supplier shall destroy the Record in accordance with the

Authority's specific corporate destruction requirements.

7.15 Corporate Records Boxes

- 7.15.1 The Supplier shall reconcile all Corporate Boxes against the RM System within 6 Service Hours of receipt by the Supplier.
- 7.15.2 The Supplier shall store the Corporate Boxes in a Unique Location within the Record Store within 1 Working Day of Receipt.
- 7.15.3 The Supplier shall ensure that the Corporate Boxes are available for retrieval within 2 Working Days of receipt.

7.16 Corporate Records Integrity

- 7.16.1 As and when any damage may be identified to a Corporate Box or Registered File held in storage, the Supplier shall immediately report to the DRO team for further instruction. The Supplier shall not replace damaged Record covers or attempt to rectify any damage. The Supplier shall work with the Authority to understand the level of damage to the item, and the Authority will advise next action.
- 7.16.2 In the event of a disaster (e.g., fire or flood) the Supplier shall have in place, as a minimum, a retainer with a specialist document recovery company so that the Service can be delivered at the Supplier's premises. This specialist Service is only intended to be invoked for the Authority's Corporate Records. The Supplier will work with the Authority to initiate any document restoration process in line with agreed business continuity plans.

7.17 Corporate Records Retrieval

- 7.17.1 The Supplier shall provide a retrieval Service to the Authority via the RM System or email.
- 7.17.2 Retrieval will include but not be limited to:
 - (a) Picking Corporate Boxes and Registered Files from Record Store.
 - (b) Preparing Corporate Boxes and Registered Files for transportation via the Courier.

7.18 Transportation of Corporate Boxes and Registered Files

- 7.18.1 The Supplier shall ensure that any Corporate Box or Registered File requested by the Authority is securely contained within either a box or Courier Polylope for transport via the Courier.

7.19 Corporate Records Destruction

- 7.19.1 The Supplier shall not destroy any Corporate Record or Registered File without direct authorisation from the DRO team.
- 7.19.2 Following destruction of a Corporate Record or Registered File, the Supplier must permanently retain all associated electronic history and data on the RM

System.

7.20 Corporate Records Recordkeeping

- 7.20.1 Following permanent withdrawal of a Registered File, the Supplier must permanently retain an audit trail of all activity, associated electronic history, and data on the RM System. When Registered Files are sent to other government departments or TNA, the Supplier must update the RM System to record the appropriate change of status as advised by the DRO team.

7.21 Corporate Records MI Reporting

- 7.21.1 The Supplier will provide reports detailing Corporate Record or Registered File holdings and activity. The format, content and frequency of these reports will be agreed during Implementation Services.

7.22 Corporate Records and The National Archives

- 7.22.1 The Supplier will support the Authority's activities with regards to the Public Records Act and TNA.
- 7.22.2 The transfer of Registered Files to TNA is overseen by the DRO team.
- 7.22.3 Based on the Authority's specialist Corporate Records management activity, estimated Supplier activity levels for this requirement during each year of the Contract are:
- (a) Cataloguing of up to 3,000 Registered Files to the full TNA standard.
 - (b) Preparation of up to 3,000 Registered Files to the TNA standard.
 - (c) Transfer of up to 3,000 Registered Files directly to the TNA's storage site.
- 7.22.4 These volumes are subject to fluctuation over the term of the Contract.
- 7.22.5 The Corporate Records requirements reference TNA standards and guidance. These standards are published on [The National Archives](#) website. The Supplier must maintain sufficient familiarity with these published standards (and any published changes) to be able to apply these standards correctly.
- 7.22.6 TNA may also provide bespoke standards guidance to the Authority on the cataloguing and preparation of Registered Files. The Authority will share bespoke standards guidance with the Supplier and the Supplier must comply with these standards.
- 7.22.7 Any change in TNA standards which are not published, and which are communicated to the Authority will be passed on to the Supplier and must be implemented immediately upon receipt.
- 7.22.8 The Supplier must confirm in writing to the Authority that changes in relevant TNA standards have been implemented correctly.
- 7.22.9 The Supplier's delivery of the Services must also conform to the Authority's working practice documents relevant to the Service the Supplier is providing.

These documents specify:

- (a) Transfer-related processes.
- (b) Internal Authority standards which interpret TNA standards in an Authority context.

7.22.10 It is the responsibility of the Supplier to inform Supplier Personnel of the terms of this requirement to ensure that they are fully aware of the conditions and standards.

7.22.11 Any errors or omissions made by the Supplier which result in a Corporate Record being rejected by TNA should be corrected by the Supplier at no additional cost to the Authority.

7.23 Corporate Records Service Levels and Quality Control

7.23.1 Completed cataloguing and preparation activity must be quality controlled by the Supplier before it is presented to the Authority to ensure that all applicable service levels are met. The format of any data created by the Supplier to monitor quality control will be subject to the Authority's approval.

7.23.2 The DRO team will conduct a quality review of preparation, cataloguing and transfer activity undertaken by the Supplier. Quality checks will be in the range of 5-10% of overall volumes and these volumes may change. (The checking regime will be discussed and agreed during Implementation Services).

7.23.3 Cataloguing and preparation carried out by the Supplier may also be subject to quality checks by TNA. Such TNA quality checks will only take place after the Authority has carried out its own quality checks and feedback to the Supplier will be provided through the DRO team.

7.23.4 The Supplier will be required to make corrections to their work as a result of all feedback resulting from any of these quality checks in line with agreed work rates.

7.23.5 The Supplier will bear the costs of all corrections required to raise the standard of preparation and cataloguing so that it becomes compliant with all relevant service levels specified.

7.24 Corporate Records Cataloguing

7.24.1 The cataloguing of selected Registered Files to the full TNA cataloguing standard is required according to agreed work rates.

7.24.2 The Supplier shall comply with all bespoke TNA and Authority guidance which relates to the cataloguing of Registered Files.

7.25 Corporate Records Service Levels

7.25.1 The Supplier will be required to meet the performance measures set out in Schedule 3 (Performance Levels).

7.26 Corporate Records Preparation and Boxing

- 7.26.1 The preparation of up to 3,000 Records to the full TNA standard is required.
- 7.26.2 The Authority may request boxing only for up to 3,000 Registered Files to the full TNA standard.
- 7.26.3 Registered File preparation activity (including corrections) must be completed in line with agreed throughput rate and deadlines agreed between the Authority, TNA, and Supplier. Standard throughput rates are:

Average size of Registered File	Preparation Throughput Rate (for 1 person in a typical 7.5 hr Working Day)
3cm thick consisting of c.300 A4 pages bound by treasury tag	25 Registered Files
Average number of Registered Files per TNA box	Expected boxing throughput rate (for 1 person in a typical 7.5 hr Working Day)
4	240 Records equal to 60 TNA boxes

- 7.26.4 The preparation and boxing of Registered Files will conform to the requirements in the TNA guidance on the physical preparation of Records.
- 7.26.5 The Supplier will inform the DRO team if the following occurs:
- Preparation of a Registered File results in the file exceeding the limits as specified by TNA and needs to be split.
 - Any negatives, glass plates or photograph albums are found in any Registered File. (The DRO team will provide advice to the Supplier on how to proceed).
 - Any other non-paper formats are found in the Registered File, for example floppy discs, video cassettes or any media which cannot be read.
- 7.26.6 Preparation and boxing work outside the work programme defined by the Authority may be required and deadlines for such work will be agreed between the Supplier and the Authority on a case-by-case basis.
- 7.26.7 Agreed throughput rates will remain the same for any work carried out outside the work programme defined by the Authority.
- 7.26.8 Agreed throughput rates will remain the same for all preparation and boxing work.
- 7.26.9 The volume of Registered Files to be prepared or boxed will depend largely on the work programme agreed between the Authority and TNA.
- 7.26.10 The preparation or boxing Service must cover all hard copy Record formats held by the Authority. Registered Files are conventional jacketed files. On rare occasions the Authority may request preparation or boxing for non-standard

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formats.

7.26.11 The Supplier will prepare or box the Records in accordance with TNA standards, including any bespoke guidance.

7.26.12 In addition to the TNA standards above, the Supplier must comply with the Authority's working practices governing preparation and boxing.

7.27 Corporate Records Work Programme and Workflow

7.27.1 The DRO team will be responsible for allocating a programme of preparation or boxing in line with deadlines specified by the Authority and TNA.

7.27.2 All transfer-related documentation will be shared between the Authority and the Supplier via digital methods of transfer.

7.28 Corporate Records Stationery and Boxes

7.28.1 The Supplier is responsible for ordering and supplying sufficient TNA-approved boxes in good time for preparation or boxing to avoid delays to inspection and transfer. The Authority use a standard specialist box size, but non-standard formats may be required on occasion. The Supplier is responsible for the cost of all TNA -approved boxes.

7.28.2 The Supplier is responsible for the purchase and supply of all stationery items required to meet TNA standards. The Supplier is responsible for the cost of all stationery items. Refer to the table below.

Item description	Estd. annual usage
Polyester Pocket 229mm x 311mm - A4	1,200
Polyester Pocket 152mm x 229mm - A5	800
Cotton Unbleached Tying Tape 13mm x 50m roll	24
Premier Triptych Folder 344x239x20mm Old Grey Ivory	10
Premier Archival Envelope A4 with Flap 318x229mm	10
Blue Plastic Tags 152mm	2,000
Green Plastic Tags 76mm	2,000
File Jacket for Registered Files	1,500
Address Template For TNA	as required
The National Archives A4 Tracer Card	as required
File & box adhesive labels (TNA standard template)	as required

7.29 Corporate Record Transfers to TNA

- 7.29.1 The Supplier shall liaise with the DRO team to arrange the physical transfer of prepared records to TNA at agreed points, no more than 4 times per calendar year.
- 7.29.2 The Supplier shall provide a tracked Courier Service to transport up to 3,000 prepared Records from its storage facility to The National Archives at Kew Gardens. This must be a secure, point to point same day Service. The Supplier shall ensure that any transport it provides meets the security requirements of this Contract.
- 7.29.3 The Authority retains the right to use its own internal Courier Service.

7.30 Management Information

- 7.30.1 The Authority requires MI on a monthly basis to report on performance. The format and content of the MI will be agreed during Implementation Services. As a minimum, it will include performance against all the relevant expectations set out in Schedule 3 (Performance Levels) and Schedule 24 (Reports and Records Provisions). The report will be emailed to the designated contact person for the Contract. An example of content of progress reports are as follows:
 - (a) Actual throughput performance against planned throughput and any reasons for variance from that planned, including volumes of Records at each stage in the process.
 - (b) Performance against contractual quality standards, including trend analysis.

7.31 Record Sortation and Extraction

- 7.31.1 There may be future requirements to sort records, enabling the extraction of unrequired documents, prior to scanning, to be determined by specific Change Requests. Volumes are not known at present and costs will be negotiated based on the most efficient process, on an ad-hoc basis.

7.32 Security

- 7.32.1 The Supplier shall comply with all physical security requirements relating to access of Records and destruction as specified in Schedule 5 (Security Management) and Schedule 24 (Reports and Records Provisions)
- 7.32.2 The Supplier shall ensure that all Supplier Personnel who will have access to Records shall be recruited and security-cleared to the specified level, in accordance with the requirements of HMG [Baseline Personnel Security Standards \(BPSS\)](https://www.gov.uk/government/publications/baseline-personnel-security-standards-bpss) (www.gov.uk).
- 7.32.3 Due to the sensitive nature of the Authority's Data, documents and records, there will be a requirement for controlled access in and out of all buildings or areas where Authority Data is held, including segregation of the Authority's items from

other users of the Record Store.

- (a) The Supplier must be able to demonstrate that their proposed solution provides robustly managed controls to prevent contamination by non-Authority Data, documents, and records.
- (b) The security of the premises must meet the requirements set out in the Schedule 5 (Security Management)

7.32.4 The Supplier shall comply with all aspects of the Authority's security policy as set out in HMG [Baseline Personnel Security Standards \(BPSS\) \(www.gov.uk\)](http://www.gov.uk).

7.32.5 The Supplier shall implement and maintain a security policy which specifically addresses the maintenance of the confidentiality, integrity and availability of the Authority's Personal Data and other restricted information held within Record Store, including, but not limited to, the risks of:

- (a) Information being disclosed by Supplier Personnel inadvertently in response to an unauthorised or fraudulent request for records or information from an unauthorised source.
- (b) Deliberate unauthorised access to and/or disclosure of information by Supplier Personnel.
- (c) Losses of physical or digital data.

7.32.6 The Supplier shall support the Authority regarding Security Incident Management. This includes but shall not be limited to:

- (a) Providing all resources, information and access required by the Authority or any third party appointed by the Authority to complete the investigation.
- (b) Establishing an effective security incident process and reporting mechanism.
- (c) As security incidents occur, the Supplier shall report such incidents immediately to the Authority via the agreed security incident process identified during Implementation Services.

7.33 Exit Management

7.33.1 Exit from the Records Management Service component of the Contract shall take place over a period of 3 months. Exit activity must happen at box level. All records are to be transported and onboarded to the Replacement Supplier's Record Store within 3 months. In any scenario when the records are being moved, the vehicle on which the records are transported must complete with no break in journey.

8. Destruction and Waste Disposal

8.1 Destruction

8.1.1 The Supplier shall comply with the Authority's requirements for the destruction

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of Records and the Supplier shall not destroy Records without appropriate authorised instruction from the Authority, in accordance with the requirements specified by the Authority.

- 8.1.2 The Supplier shall ensure that all Records, which have been picked and are pending destruction, are kept secure until they are destroyed. The Supplier shall ensure that all Records are destroyed in accordance with BS EN 15713 Secure Destruction of Confidential Material (or agreed equivalent).
- 8.1.3 Following destruction of Records, the Supplier must complete an electronic Destruction Certificate within 24 hours and upon request provide this to the Authority to confirm proof of destruction. This will equally apply to Digital Mailroom.
- 8.1.4 The Destruction Certificate must capture as a minimum:
 - (a) Reference numbers of Records destroyed.
 - (b) Batch destruction transaction number.
 - (c) The name or reference of the Supplier's personnel that undertook the destruction.
 - (d) The date on which the Records were destroyed.
- 8.1.5 CMS Specific - Periodically, the Supplier will run a destruction report against the Supplier's storage management to identify Records that have fulfilled their short-term storage retention period and are scheduled for destruction:
- 8.1.6 Records flagged for Secure Destruction shall be removed from Short Term Storage and prepared into batches by the Supplier for Secure Destruction.
- 8.1.7 Secure Destruction will take place on the next scheduled Service Day.
- 8.1.8 Secure Destruction will be undertaken in accordance with the Authority's security requirements.
- 8.1.9 On completion of Secure Destruction, the Supplier shall be responsible for the provision of a Destruction Certificate. Certificates will be delivered to the Authority with a document destruction log, in which all Mail Items destroyed (referenced by URN) will be corresponding certificate of destruction in as a PDF file.
- 8.1.10 Document Destruction Logs shall be formatted and transferred to the Authority as per the interface definition detailed in the CMS interface definition and within 5 Service Days of the latest Supplier Secure Destruction activity.
- 8.1.11 Full 'Specification Secure Destruction Log' format, structure and delivery is defined in the Supplier's CMS Interface Definition held in the Business Reference Library.

8.2 Waste Disposal

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- 8.2.1 The Supplier shall ensure that all waste created by the destruction of records is managed and disposed **of** appropriately and in line with:
 - (a) BS EN 15713 The Secure Destruction of Confidential Material (or agreed equivalent).
 - (b) ISO14001 Environmental Management (or agreed equivalent).
- 8.2.2 The Supplier is required to have accreditation against the above standards (or agreed equivalent) and the ability to deal with waste in compliance with the standards above and this should be in place prior to the Implementation Services Commencement Date.
- 8.2.3 The Supplier shall review the destruction and waste disposal processes, including the Authority's authorisation levels, with the Authority on an annual basis as a minimum.
- 8.2.4 The Authority's waste records will include a mixture of white and coloured paper, cardboard, and plastic.
- 8.2.5 Refer to Sections [4.7](#), [6.10](#), and [6.18](#) for stage-specific information on destruction and waste disposal.

9. Account Management

9.1 Supplier Personnel and Resourcing

- 9.1.1 The Supplier should appoint competent and experienced personnel to the roles of Account Manager and Deputy Account Manager. The names and contact details, including phone numbers, voicemail, and email addresses, of all the persons nominated as account handlers must be provided.
- 9.1.2 The Supplier shall also ensure that the Deputy Account Manager's name and contact details are provided to the Authority prior to the Account Manager's unavailability and absence.
- 9.1.3 The Account and Deputy Account Manager must have full and equal knowledge of the Contract and equal decision-making authority, each can make decisions independent of each other.
- 9.1.4 The Account Manager shall have industry experience in respect of the provision of Inbound Mail and Records Management Services.
- 9.1.5 The Account Manager will work in close collaboration with the Authority's Representative and Authority Personnel.
- 9.1.6 The Supplier must ensure that the Account Management Team is accessible to the Authority at all times during the Authority's normal Working Day to discuss operational matters. The Authority's current Working Day is 07:30 to 18:30 Monday – Friday with Contact Centre Services available 08:00 to 17:00 on Saturday. These are subject to change as the Authority modernises its Service

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delivery. Any solution must be flexible enough to accommodate changes.

- 9.1.7 The Account Management Team must answer all phone calls as a priority and respond to voicemails by a return phone call within a working hour. The Account Management Team must respond to each email within two working hours.
- 9.1.8 The Supplier must ensure all correspondence regarding contractual issues is appropriately referenced and sent to the Authority by email.
- 9.1.9 The Supplier will ensure that all Supplier Personnel and its subcontractors' staff involved in the provision of this Contract comply with security controls, procedures and policies as specified by the Authority.

9.2 Activities and Accountabilities

- 9.2.1 The Account Management Team's activities and accountabilities will include but not be limited to:
 - (a) Compliance with all contractual obligations.
 - (b) Acting as an escalation point for queries, advice issues and complaints.
 - (c) Management of Service and Incidents Referrals.
 - (d) A minimum of annual business continuity/disaster recovery planning, testing, and reporting of the issues and updates.
 - (e) Providing advance notice of events likely to impact on the Authority's operations and obligations.
 - (f) Providing where required a monthly written communication which includes details of any changes, improvements, risks, issues, complaints, concerns, and plans.
 - (g) Monthly risk identification, mitigation and maintenance of a risk log, and risk assessments. The Risk Log will be maintained by the Supplier and reviewed at performance review meetings.
 - (h) Proactively identifying risks to capacity prior to an issue affecting the Service materialising.
 - (i) Compliance with information security policies and review of the Security Plan.
 - (j) Reporting security incidents and trends and Implementation Services of remediation measures.
 - (k) BPSS checks.
 - (l) Monitoring and reporting performance against service levels, milestones, and obligations.
 - (m) Providing a monthly Supplier highlight report about the Supplier's performance, proposed activity, and outstanding issues.

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- (n) MI production and monitoring.
- (o) Invoicing.
- (p) User guides and training.
- (q) Proposals for continuous improvements, innovations, efficiencies and VFM savings on any area of the Contract.
- (r) Promote, deliver, and communicate transparency of pricing and savings to the Authority.
- (s) Adherence to and management of the Change Control Procedure.
- (t) Change Implementation Services activity and planning.
- (u) Social Value, Sustainability and Environmental strategy and performance against SLAs.
- (v) Chairing monthly review meetings and management of the action logs.
- (w) Provision of insight on market conditions and intelligence.
- (x) Financial stability.

9.2.2 Service performance will be monitored and regularly reviewed in terms of delivery against agreed service levels.

9.2.3 As part of Implementation Services, a tiered governance structure including strategic and operational relationship matrix will be agreed by the Parties.

9.3 Meetings

9.3.1 The Authority will chair Quarterly Strategic Reviews and Annual Reviews on behalf of the Authority. The Supplier will provide and present all information required for these meetings and provide the appropriate attendees, including the Account Manager or Deputy. The content of these meetings will be agreed with the Authority in advance.

9.3.2 In addition, the Authority will have individual monthly (operational) Contract management meetings, which will be attended and chaired by the Account Manager. The content of these meetings will be agreed by the Authority in advance. The Supplier will provide a note taker.

9.3.3 The Authority may request weekly meetings with the Supplier including and not limited to the account manager.

9.3.4 The Supplier may be required to attend meetings, at the request of the Authority, where specific issues and incidents occur or for 'checkpoint' meetings relating to ongoing bulk activities.

9.3.5 The Supplier will be required to attend all meetings and / or notify the Chair of reasons for nominated individuals' non-attendance in advance of the meeting. A suitable and empowered deputy must be provided in lieu of the absentee.

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9.3.6 These meetings will be held at the Authority's premises and/or by conference calls and video conferencing.

9.3.7 Attendance at such meetings will be at the Supplier's own expense.

9.4 Training

9.4.1 The Supplier Personnel must receive personal training to a basic level in the detection of fraudulent documentation using learning material evaluated and sanctioned by the NDFU.

9.4.2 The Supplier's valuables handling personnel are required to attend any authentication training developed by the Supplier. During Implementation Services, this training will be delivered by the Authority; subsequently, the Supplier shall deliver training to the Supplier Personnel.

9.4.3 All other training mandated by the Authority, for example Security Awareness, will be communicated during Implementation Services. The Supplier shall provide training to the Supplier Personnel as required within the normal staff turnover.

9.4.4 The Supplier shall provide at the Authority's request any internal training products and work/process flows.

10. Quality

10.1.1 The Supplier shall at all times comply with the Quality Standards and, where applicable, shall maintain accreditation with the relevant Quality Standards authorisation body and the standards specified in this Contract.

10.1.2 The Supplier will comply with the Service and performance standards in the Authority's Specification and Schedules, in particular the standards set out in Schedule 3 (Performance Levels)

10.1.3 The Supplier shall ensure that it performs its obligations under the Contract:

- (a) In accordance with the Law.
- (b) Good Industry Practice.
- (c) The Authority's Security Requirements.
- (d) The Authority's Systems Environment.

10.1.4 The Supplier shall ensure that all Supplier Personnel delivering the Services do so with all due skill, care and diligence and shall possess such qualifications, skills and experience as are necessary for the proper supply of the Services.

10.1.5 The Supplier shall immediately report to the Authority's Contract Management team any issues that impact on the Supplier's ability to deliver the Services.

11. Service Management and Incident Referrals

11.1 General

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- 11.1.1 The Supplier shall be expected to collaborate on all matters related to IT service management including use of DWP Place.
- 11.1.2 The Supplier shall provide all of the Supplier equipment necessary for the supply of the Services and shall maintain such equipment in a safe and serviceable condition.
- 11.1.3 Authorised Supplier Personnel will access DWP Place either via:
 - (a) DWP Laptops, or
 - (b) Supplier's devices provided they meet the configuration standards as outlined in the "DWP Place Code of Connectivity" guidance.

11.2 Help Desk and Support Function

- 11.2.1 The Supplier shall provide a helpdesk and support function, which shall enable the Authority users to raise incidents specific to mail handling, scanning and records management.
- 11.2.2 The Authority's Working Day is 07:30 to 18:30 Monday – Friday with Contact Centre Services available 08:00 to 17:00 on Saturday. These are subject to change as the Authority modernises its Service delivery. Any solution must be flexible enough to accommodate changes.
- 11.2.3 The helpdesk shall be in addition to the IT service management processes delivered through DWP Place. A positive resolution to all incidents will be required.

11.3 Incident Management and Complaints Handling

- 11.3.1 The Supplier shall implement, manage, and operate a formal procedure, including the provision of updates for incident management and complaints handling.
- 11.3.2 The Supplier must ensure that all Supplier Personnel have suitable training and that processes are in place to identify and manage incidents relating to the delivery of the Service.
- 11.3.3 The Supplier shall agree with the Authority the incident categories. The Supplier shall agree with the Authority the criticality rating and response times for each category of incident. The Supplier shall apply the criticality rating and meet response times for each category of incident as defined by the Authority.
- 11.3.4 The Supplier shall ensure the following elements are included within its Service management provision:
 - (a) The Supplier's support function accepts enquiries and requests for support and assistance from the users.
 - (b) The support function has the capacity and capability to manage all inbound enquiries.

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- (c) An action plan outlining, as a minimum, a timeframe for resolving the issue or incident is issued to the Authority within three (3) hours of the Supplier being notified of the issue or incident.
- (d) Provision of an out of hours' Service, such as voicemail or auto-attendant, which is accessible to the Authority during out of hours (from 18:30 hours to 07:30 hours Monday to Friday and from 17:00 to 8:00am on Saturdays, 24 hours on non-Working Days, and 24 hours on UK public holidays). The Supplier shall ensure they respond to any out of hour messages on the next Working Day.
- (e) Incidents may be raised by the Authority including:
 - (i) Retrieval of Hard Copy Mail Items in Digital Mailroom Storage for Courier to the appropriate site.
 - (ii) Inaccurately processed items.
 - (iii) Re-scanning of a document.
 - (iv) Missing Valuables.
 - (v) Storage move(s).
- (f) CMS Specific - Upon completion of a Service Request by the Supplier a corresponding Service Request response shall be delivered to the Authority. Reprocessing requests shall be responded by the delivery of batch XML where the Mail Item metadata element 'Rescan' is set to True and Work Request information is populated in the batch XML output. Service Requests for retrieval requests and Storage Move requests will be responded by a Document Move XML. In addition to the agreed Service response interface the Supplier shall respond to the Authority service desk via email confirming completion of the Request. Format of request and confirmation of closure shall be agreed during Implementation Services.
- (g) Reprocessing of a Document may be required for any of the following reasons:
 - (i) Image Quality - a scanned image is considered to be below the agreed image quality standard and is not marked as 'Poor Quality Original'.
 - (ii) Document Splitting - a scanned image is considered to contain multiple Documents which require splitting into multiple scanned images.
 - (iii) Document Incomplete - a scanned image is considered to contain incomplete Documents.
 - (iv) Document Merge - multiple scanned images are considered as one scanned image and require joining into a single image.

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- (h) CMS Specific - In all cases where items are requested the complete Mail Item contents associated with the reference URN shall be reprocessed. With the exception that previously processed IOPs and Valuables will be processed as pages/images to the Mail Item only and will not generate new metadata in the batch XML nor any entry in the Payment Schedule or Valuables Log for that day's processing.
- (i) CMS Specific - The Supplier shall have the opportunity to investigate all defects raised by the Authority in respect of items requiring re-processing and shall notify the Authority if it disputes, in good faith, any of the defects referred to.
- (j) CMS Specific - If appropriate, the Service Request response in respect of a reprocessing Service Request will be supported with the rescanned image file.
- (k) The Supplier shall process the Authority's requests for retrieval of original, hard copy mail:
 - (i) On the same Working Day when the request is received before 12:00.
 - (ii) Within 24 hours of receipt (within normal Working Days) when received at, or later than, 12:00.
- (l) CMS Specific - Where the Authority has a requirement for the Supplier to retrieve and forward to the Authority a hard copy Record that is stored by the Supplier. The Authority will communicate this to the Supplier through a Service Request as defined above.
- (m) CMS Specific - The Supplier shall dispatch Records to the recipient and address as detailed in the Service Request. In all cases where Records are requested the complete Mail Item contents associated with the referenced URN shall be retrieved and dispatched.
- (n) CMS Specific - The Supplier shall respond to the request via a document location update response sent to the Authority via FTPS. The format and structure of the Document Location Update response is detailed in the Supplier CMS Interface Definition document.
- (o) CMS Specific - Where the Authority has a requirement for the Supplier to move a hard copy document that is in the custody of the Supplier from short term storage to long term storage or vice versa.
- (p) CMS Specific - The Authority will communicate this to the Supplier through a Service Request.
- (q) CMS Specific - The Supplier shall fulfil requests and move the Record to the requested storage location.
- (r) CMS Specific - In all cases where Records are requested the complete Mail Item contents associated with the reference URN shall be moved.

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- (s) CMS Specific - The Supplier shall respond to the request via a Document Location Update response sent to the Authority via FTPS. The format and structure of the Document Location Update response is detailed in the Supplier CMS Interface Definition document.
- (t) To comply with mandatory maintenance requirements for Great Britain and Northern Ireland, the Supplier shall be able to provide support outside of the regular scanning and indexing hours to complete live testing and assurance activities. Support should include the ability to provide the following activities outside of Service Days:
 - (i) Hold back Mail Items, as directed by the Authority, to be scanned.
 - (ii) Complete scanning activities.
 - (iii) Complete indexing activities.
 - (iv) Investigation of incidents, including those defined as Critical and/or Major as per the service management Terms of Reference which will be provided during Implementation Services.
 - (v) Resolution of incidents, including those defined as Critical and/or Major as per the service management Terms of Reference which will be provided during Implementation Services.
 - (vi) Confirm receipt of response files, corresponding to outbound testing files.
- (u) To comply with mandatory maintenance requirements for Great Britain and Northern Ireland and to minimise impact to the Authority, the Supplier shall have the ability to make code deployments outside of the regular scanning and indexing hours, including:
 - (i) Making functional changes to the scanning and/or indexing applications.
 - (ii) Making reference data changes to the scanning and/or indexing applications.
- (v) The Authority will manage and control individual access and function to raise Service Requests. Service Requests will be submitted to the Supplier through a standard and controlled format agreed by the parties during Implementation Services.
- (w) The Supplier will produce all relevant Service and support documentation and share with the Authority. This should include but not be limited to high level design, low level designs, schemas, etc.
- (x) The Authority shall be entitled to take all reasonable steps to investigate any complaint it receives regarding:
 - (i) the standard of Services

- (ii) the manner in which any Services have been supplied
 - (iii) the manner in which work has been performed
 - (iv) the equipment, materials or procedures the Supplier uses
 - (v) any other matter connected with the performance of the Supplier's obligations under the Contract.
- (y) Without prejudice to its other rights and remedies under the Contract, the Authority may, in its sole discretion, uphold a complaint and take further action in accordance with Clause 25 (Rectification Plan Process) of the Contract (as appropriate).

12. Business Continuity and Disaster Recovery Plan

12.1 General

- 12.1.1 The Supplier will provide a robust BCDR Plan aligned to a code of practice such as ISO22301 or equivalent. The Supplier will supply these plans to the Authority at least forty (40) Working Days prior to the Service Commencement Date.
- 12.1.2 The BCDR Plan shall be designed to ensure that:
- (a) Its Deliverables are provided in accordance with Annex 11 at all times during and after the invocation of the BCDR Plan.
 - (b) The adverse impact of any disaster is minimised as far as reasonably possible.
 - (c) It complies with the relevant provisions of ISO/IEC 27002, ISO22301, ISO22313, and all other industry standards in force during the lifetime of this Contract.
 - (d) It details a process for the management of disaster recovery testing.
- 12.1.3 The Supplier will test their BCDR Plan no less than once per annum. Outcomes of these tests or exercises will be made available to the Authority in writing within twenty (20) Working Days of completion.
- 12.1.4 Business Continuity and Disaster Recovery Plans will consider subjects including but not limited to:
- (a) Inclement weather conditions.
 - (b) Pandemic situations.
 - (c) Supplier site (location) failure.
 - (d) Electrical faults.
 - (e) IT Server failure.
 - (f) Data corruption.

- (g) Flooding and other disasters.
- (h) Staffing shortfalls, including industrial action.
- (i) Cyber-attack.

12.1.5 Refer to [Section 4.19](#) for stage-specific information.

13. Security

13.1 General

- 13.1.1 For information on the Government Security Classifications that all suppliers must comply with, the Supplier is referred to Government Security Classifications (www.gov.uk).
- 13.1.2 Full information about the Authority's security safeguards and requirements can be found in Schedule 5 (Security Management)
- 13.1.3 For security requirements specific to individual Service components, refer to Digital Mailroom, Digital Mailroom technical specification and Records Management.

14. Innovation and Continuous Improvement

14.1 General Principles

- 14.1.1 The Supplier will be required to exploit opportunities for innovation when providing the Services and take advantage of any emerging technologies or legislative changes in the marketplace.
- 14.1.2 The Supplier will be required to formally present ideas as a standing agenda item at regular monthly and quarterly review meetings. A nominated triage email address will be made available to the Supplier for correspondence on these and any suggestions raised between meetings.
- 14.1.3 The Supplier will be required to host an "Innovation Day" every 12 months where it will present an industry overview including future developments and industry best practices that could be used by the Authority.
- 14.1.4 The Supplier must be aware that where there may be significant change, feasibility or pilot exercises must be undertaken and at no additional cost to the Authority and the findings presented to the Authority for approval. All innovations are fully discussed, impacted, and costed, prior to approval.
- 14.1.5 On Implementation Services and realisation of benefits from innovation activity generated by the Supplier, an agreement on gain share will be made between the Supplier and the Authority.
- 14.1.6 The Supplier will be required to continually improve the way in which the Services are delivered throughout the Contract term and at the same time will be required to help reduce costs and improve quality, providing even greater value for money for the taxpayer.

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- 14.1.7 The Supplier will have a documented continuous improvement process which will be provided to the Authority. This should include but not be limited to tracking market developments and a process for sharing such developments with the Authority.
- 14.1.8 The Supplier will work with the Authority to support its commitment to moving to a more digital Service by streamlining access to systems being used, enabling further paper reduction, and reducing waste.
- 14.1.9 The Supplier will be required to report continuous improvement progress to the Authority, highlight potential opportunities, and present new ways of working during regular review meetings.
- 14.1.10 All improvements, changes or innovations must be transacted using Schedule 22 (Change Control Procedure).

15. Innovation Procedure

15.1 Definitions

In this section, the following definitions apply:

- “Benefits Realisation”** means the stage of the Innovation Process whereby both Parties receive the benefits from an Innovation Initiative. The benefits shall be linked to the approved Discovery Report.
- “Concept Inception”** means the stage of the Innovation Process where one of the Parties will propose an Opportunity to potentially be explored through Discovery by the Supplier.
- “Delivery”** means the stage of the Innovation Process whereby the Supplier will deliver an Innovation Initiative against their Discovery Report.
- “Discovery Report”** means the report produced by the Supplier summarising the activities undertaken during the Discovery stage, substantially in the format set out in Attachment 4.
- “Discovery”** means the stage of the Innovation Process where the Supplier will undertake all exploratory work to fully determine whether an Innovation Initiative is viable and put forward a Discovery Report to progress to Delivery.
- “Discovery Hours”** Means the number of hours work required to undertake the activity as defined in “Discovery”. Discovery Hours are priced as per the rate card in Schedule 15 – (Charges and Invoicing) Annex 1: Pricing Mechanism Table 1.
- “Inception Report”** means the report produced by the Supplier summarising the high-level details of the Innovation Opportunity, substantially in the format set out in Attachment 3.

“Innovation Initiative” and “Initiative”

means an innovation that is either being investigated and having the viability explored or is currently being delivered by the Supplier.

“Innovation Mailbox” means a shared email inbox, monitored by representatives of the Authority for the purposes of facilitating the review of an Opportunity.

“Innovation Opportunity” and “Opportunity”

means a potential future innovation, which has not yet been fully explored or investigated.

“Innovation Process” means the procedure set out in Attachment 2.

“Non-Viability Report” means the report produced by the Supplier summarising the rationale for proposing to not continue to take forward an Innovation Initiative, substantially in the format set out in Attachment 6.

“Proof of Concept” means the activity whereby the Supplier, with the Authority's agreement, may trial the concept of the innovation for its feasibility or impact its effectiveness before decision is made to implement.

15.2 Introduction

15.2.1 2.1 The Authority places significant importance on innovation and continuous improvement throughout the term of this Contract.

15.2.2 2.2 It is envisaged that there will be a 4-stage gated process involved in the assessment, validation, and delivery of all Innovation Opportunities. At a high level, these stages are to cover the following activities:

- (a) Concept Inception: All innovation will be defined as an Opportunity during the Concept stage. This stage covers the high-level idea, potential, or possibility of an Innovation Opportunity. Progression out of this stage can only occur once an Inception Report has been approved by the Authority.
- (b) Discovery: Discovery is the stage of innovation where the Supplier will fully explore the potential viability of the Initiative. This may include undertaking market research, development, proof of concept and testing. Each Initiative will be judged on its own merits. Progression out of this stage can only occur once the Discovery activity has been approved by the Authority.
- (c) Delivery: The Delivery stage is the section of the Innovation Process where the Supplier will deliver against their Discovery Report. The Delivery stage will include all activities required by both Parties to achieve the deliverables stated in the Discovery Report. The Delivery stage can only occur after the Delivery activity has been approved by the Authority, and the Initiative has been through the Change Control Procedure.

- (d) **Benefits Realisation:** The Benefits Realisation stage is the section of the Innovation Process where the Supplier upon successful completion of the Delivery stage will raise an invoice for the fixed and firm amount stated in the Discovery Report. Invoices will be paid by the Authority in line with normal invoicing procedures. The Supplier will work with the Authority to agree timescales for reviewing and confirming Benefits realised and lessons learned.

15.2.3 It shall be the decision of the Authority as to whether any Opportunity or Initiative shall progress through any of the stages. The Authority's decision shall be final and conclusive.

15.2.4 Each of the stages is defined in more detail in the sections below.

15.3 Concept Inception

15.3.1 Innovation Opportunities may be identified by either of the Parties, and Opportunities may arise by any method including but not limited to:

- (a) the Authority identifying the Opportunity, raised during in-life contract management or during a Governance Board
- (b) the Supplier identifying an Opportunity
- (c) feedback being received from an End User, resulting in the identification of an Opportunity.

15.3.2 In all instances, the Supplier shall be responsible for generating and populating the Inception Report, accepting that the Supplier may request input from a representative of the Authority where the Opportunity has been raised by the Authority.

15.3.3 To successfully progress through Concept Inception, the Supplier shall provide an Inception Report to the Authority for approval. This may be presented to the Authority at any of the Governance Boards or on an ad-hoc basis. Where it is not presented at a Governance Board, the Supplier shall email the Inception Report to the Innovation Mailbox.

15.3.4 The Authority may, at its discretion, return the Inception Report to the Supplier for clarification and/or for further information prior to providing approval. The Authority will respond to items sent to the Innovation Mailbox within 10 Working Days. No guarantee is given on the length of time it will take to provide approval as this will be subject to governance and approvals internal to the Authority.

15.3.5 The email address of the Innovation Mailbox will be provided to the Supplier at the Effective Date.

15.3.6 An example Inception Report has been provided in Attachment 3 but, in any event, the Inception Report should include, as a minimum:

- (a) **Date:** The date that the Opportunity has been identified and/or is being presented to the Authority

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- (b) A unique Opportunity Title: This title should be retained through all the innovation stages, to allow both Parties to track the Opportunity / Initiative
- (c) Service Line / Service Component: The element of the Services that will be impacted by the Opportunity
- (d) Description: A comprehensive description detailing what the Opportunity relates to and how it will affect the service line / service component, how it was identified, and what has led this to become an Opportunity
- (e) Potential benefits: This should be a high-level indication of what benefits (to both or either Party), including cost and service benefits, can be realised by taking forward the Opportunity
- (f) Dependencies: All known dependencies should be explicitly drawn out on the Inception Report, clearly articulating what else must change or adapt to enable this Opportunity to be delivered. This is particularly relevant where there is a dependency relating to the need for the Authority to make any changes
- (g) Opportunity Rating and Rationale: Attachment 3 provides an indicative rating scale. However, any scale that allows the Authority to understand the level of prioritisation assessed by the Supplier will be sufficient. The rating shall be accompanied by a rationale to support the rating provided
- (h) Number of Discovery hours required to fully explore: The Supplier shall carefully consider the precise number of hours required to undertake all activities leading up to (and including) the provision of a Discovery Report. The number of hours the Supplier will be paid is capped at this figure.
- (i) Depending on the nature of the Initiative it may be suitable for the Supplier and the Authority to share the cost of the Discovery hours. If appropriate this would be agreed during the Concept Inception stage.

15.3.7 Once approval is given by the Authority, all Innovation Opportunities will be deemed to be an Initiative and treated as such.

15.4 Discovery

15.4.1 Discovery is the stage of innovation where the Supplier will fully explore the potential viability of the Initiative. This may include undertaking market research, development, proof of concept and testing.

15.4.2 It is accepted that there is no set time period for any individual Discovery, and each Initiative will be judged on its own merits.

15.4.3 The number of hours required for Discovery activity will be capped at the stated number in the Inception Report, which will be paid on evidenced actuals. The Authority will undertake validation exercises on the actual number of hours on a project-by-project basis.

15.4.4 If there are any tests that require the Authority to take part and/or facilitate, these

must be identified on the Inception Report. If they are not clearly articulated on the Inception Report and drawn out as dependencies, the Authority shall not be held responsible for the success or failure of an Initiative during Discovery.

15.4.5 If an Initiative is viable

15.4.6 To successfully progress through Discovery, the Supplier shall provide a Discovery Report to the Authority for approval. This may be presented to the Authority at any of the Governance Boards or on an ad-hoc basis. Where it is not presented at a Governance Board, the Supplier may email the Discovery Report to the Innovation inbox, the email address for which will be provided at the Effective Date.

15.4.7 The Discovery Report shall be a comprehensive report detailing all the activities that have been undertaken through Discovery and how the Supplier has assessed that the Initiative is suitable to be taken forward into Delivery.

15.4.8 An example Discovery Report has been provided in Attachment 4 but, in any event, the Discovery Report should include, as a minimum:

- (a) Date: The date that the Initiative has been fully explored and/or is being presented to the Authority
- (b) Initiative Title: This title should be retained from the Inception Report
- (c) Service Line / Service Component: In most cases, this should mirror what has been included on the Inception Report, except for instances where through Discovery it has been identified that different service lines or components will be impacted
- (d) Description of Delivery approach: The Supplier should clearly lay out how they intend to take forward the Delivery of the Initiative, laying out their high-level approach to delivery for this specific Initiative
- (e) Proof of Concept results: If any proof of concept has been undertaken during Discovery, the description, and results of these shall be included in the Discovery Report
- (f) Testing results: This should highlight all the testing activities undertaken throughout Discovery to assure the Authority that progression to Delivery is stable and achievable
- (g) Roadmap for roll-out: The roadmap should include a step-by-step process for the processes / procedures and phases that the Supplier will undertake to progress through Delivery
- (h) Impacts: All potential or actual impacts from the perspective of both Parties, including the potential for any training requirements
- (i) Dependencies: All dependencies, both barriers and enablers, should be identified and detailed
- (j) Risks: All risks should be identified, scored and mitigations highlighted.

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Attachment 5 provides details of how the Authority assesses risks. If the Supplier has a suitable alternative to scoring of risks, this will be considered by the Authority

- (k) Deliverables: The Supplier must provide a summary of the deliverables/outputs that will be produced as a result of this Innovation
- (l) Date of delivery: The date that all of the Delivery activities will be concluded, and both Parties will realise the benefits of the Initiative
- (m) Cost to deliver: The Supplier must provide a breakdown of costs, which will be fixed and firm.
- (n) Realisable Benefits: This must be a detailed and validated breakdown of the benefits (to both or either Party), including the type of benefit, e.g., volumes, cost, service, or throughput times, which will be realised by taking forward the Opportunity. The timeframe for realisation of the benefits (e.g., changes to pricing) should also be included. The methodology and sample size used to calculate and monitor the benefits should be clearly set out.

15.4.9 The timing and nature of changes to pricing as a result of the Initiative will be explicitly agreed by the Authority.

15.4.10 If an Initiative is not viable

15.4.11 In the event that the Opportunity has been found to not be suitable to be taken forward into Delivery, the Supplier should bring this to the attention of the Authority as soon as reasonably practicable.

15.4.12 The Supplier shall bring this to the attention of the Authority using a Non-Viability Report, an example of which is provided in Attachment 6.

15.4.13 The Non-Viability Report should include precisely why and what made the Initiative no longer viable to take forward. This shall include as a minimum:

- (a) Date: The date that the Initiative has been fully explored and/or is being presented to the Authority for abandonment
- (b) Initiative Title: This title should be retained from the Inception Report
- (c) Description: A detailed description and rationale for why the Initiative must be abandoned
- (d) Failures: What tests, if any, were failed during Discovery including the details of the results of those tests
- (e) Validation: A high level view from the Supplier on what steps and/or checks the Authority can undertake to validate the non-viability of this Initiative
- (f) Future of the Initiative / Next Steps: Whether it is possible to revisit the initiative at a later date, and if so, what must happen for it to be successful

next time.

- (g) The Authority reserves the right as part of approval to request further information, partnership working, and/or additional time for internal governance and other approvals as appropriate in order for the Initiative to proceed.
- (h) The Authority will make payment for the number of Discovery hours consumed in taking the initiative to this stage, which will be paid on evidenced actuals.

15.5 Delivery

- 15.5.1 The Delivery stage is the section of the Innovation Process where the Supplier will deliver against their Discovery Report.
- 15.5.2 The Delivery stage will include all activities required by both Parties to achieve the deliverables stated in the Discovery Report, this may include:
 - (a) Security review and approval, where required
 - (b) Critical Success Factors and Key Performance Indicators designed and/or adjusted if needed
 - (c) Updated communications including guidance documents
 - (d) Test procedures being executed
 - (e) User acceptance
 - (f) Transition plan
 - (g) All remaining issues being documented with resolution dates
 - (h) Logging of lessons learned
 - (i) Other project controls.
- 15.5.3 Where the Delivery stage spans more than 1 Service Period (1 calendar month), the Supplier shall provide written updates to the Authority at the Monthly Review Boards. Updates should include a high-level update on the activities being undertaken or completed, any changes to the status of risks, and any impacts on the Delivery completion date or benefits.

15.6 Benefits Realisation

- 15.6.1 Upon successful completion of the Delivery stage, the Supplier will raise an invoice for the fixed and firm amount stated in the Discovery Report, which will be paid by the Authority in line with normal invoicing procedures.
- 15.6.2 At the same time, the Authority will receive a one-off reduction in the Service Charges for that Service Period and/or a reduction in an applicable unit price, whichever has been stated as the benefit to the Authority in the Discovery Report.

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- 15.6.3 The Supplier will work with the Authority to agree timescales for reviewing and confirming Benefits realised.
- 15.6.4 In all instances, a lesson learned log should be populated by the Supplier to ensure continuous learning for all future Opportunities and Initiatives.

16. Contract Implementation Services

16.1 General

- 16.1.1 The Supplier shall work with the Authority and Incumbent Supplier(s) to ensure a seamless transition from the current Service components to the new delivery of the Service under the Contract in accordance with Schedule 13 (Implementation Services Plan).
- 16.1.2 Following award of the Inbound Mail and Document Management Contract (July 2024), the Supplier shall start Inbound Mail Implementation Services. This will be for a period of circa 6-months, lasting until the expiration of the existing DDMS contract. During this time, no work will transfer to the Supplier, and the Supplier is expected to use this time to ensure the Digital Mailroom Services can be transitioned. Transition of the Service will not commence until January 2025 and will then take place over 12 months as per Annex 14 - Digital Mailroom Tranche Transition Plan.
- 16.1.3 The content of Annex 14 – Digital Mailroom Tranche Transition Plan may be subject to change, and business units may move between tranches to support the delivery of the Authority's customer facing teams.
- 16.1.4 The Supplier may commence Implementation Services for the Records Management component as they see fit ahead of the Operational Service Commencement Date of 1 November 2025. For the purposes of this Contract, the Authority has assumed the same 6-month period will be used. This means that Implementation Services for Records Management will commence from 1 May 2025. Transition of the Records Management component will commence from 1 November 2025. Transition particulars will be notified as part of the outgoing Supplier's Exit Plan and will depend on the successful Supplier's bid as to whether Records will be transported to a new location.
- 16.1.5 There will be regular transportation of Records, which will be agreed with both the Incumbent Supplier and the Supplier.
- 16.1.6 The Authority will work with the Supplier to determine when ownership of New Record Intake and returns will commence. A back-up of the current database will be supplied to the Supplier for verification of Records receipt. This activity must be factored into the Deliverables.
- 16.1.7 There may be periods of dual running of Service components by the Incumbent Supplier and the Supplier. This will enable phased Service component migration, to be defined in a Digital Implementation Services Plan, to manage risk and ensure safe landing. The Authority requires the Incumbent Supplier and the Supplier to work together to achieve transition with no interruption to business continuity.

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- 16.1.8 Transfer of responsibilities to the Supplier will occur through arrangement with the Incumbent Supplier and agreement from the Authority.

17. Contract Exit

17.1 General

- 17.1.1 Following the Implementation Services of the Contract, the Supplier will work with the Authority to identify a robust exit strategy and plan that covers all eventualities, inclusive of relevant timelines and dependencies and in adherence with the requirements of Schedule 25 (Exit Management).
- 17.1.2 The Supplier will provide an Exit Plan to the Authority within three months of the Commencement Date and update the agreed plan in accordance with Schedule 25 (Exit Management).

18. Social Value

18.1 General

- 18.1.1 The Authority is committed to delivering Social Value, sustainability benefits and environmental improvements. The Authority and the Supplier will comply with Public Procurement Notices 06/20 and 06/21.
- 18.1.2 The Authority shares the government's commitment to support:
 - (a) COVID-19 recovery.
 - (b) Tackling economic inequality.
 - (c) Fighting climate change.
 - (d) Equal opportunity
 - (e) Wellbeing.
- 18.1.3 The Authority requires that the Supplier commits to specific actions on economic, social, and environmental well-being and must consider these as part of their submission.
- 18.1.4 The Supplier will need to comply with the Authority's Environmental Requirements (Schedule 4 (Standards) – Annex 1 - section 3 – Environmental Requirements).
- 18.1.5 The Supplier should assist the Authority in achieving their Greening Government commitments ([Greening Government Commitments 2021 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/commitments/greening-government-commitments-2021-to-2025))
- 18.1.6 The Supplier will evidence continual environmental improvements in their own organisation through a certified environmental management system (ISO 14001 or equivalent).
- 18.1.7 The Supplier will ensure its own supply chain does not have a negative environmental or social impact and evidence this through relevant sustainable

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procurement policies and assurance activities.

18.1.8 The Supplier must provide evidence to demonstrate compliance with the Government Buying Standards where applicable.

18.1.9 Not used.

Schedule 3

Performance Levels

Schedule 3: Performance Levels

1. Definitions

1.1 In this Schedule, the following definitions shall apply:

“Agreed Daily Flow”	the expected incoming volumes of mail items consisting of Documents, envelopes and emails for email Ingestion taken from the monthly forecast volumes provided by the Authority, divided by the number of Working Days in the current Month plus 10%, that the Supplier shall process and deliver to the Authority in any Service Day.
“Available”	has the meaning given in Paragraph 1.1 of Part B of Annex 1;
“DfCNI”	Department for Communities Northern Ireland
“DRO”	The Departmental Records Office. The team within the Authority handling corporate records.
“End User”	any person authorised by the Authority to use the IT Environment and/or the Services;
“Excess Flow”	the extent to which the Agreed Daily Flow is exceeded by the actual volumes of incoming mail Documents, consisting of Documents, envelopes and emails for Email Ingestion.
“Non-Available”	in relation to the IT Environment or the Services, that the IT Environment or the Services are not Available;
“Performance Monitoring Report”	has the meaning given in Paragraph 1.1.1 of Part B;
“Performance Review Meeting”	the regular meetings between the Supplier and the Authority to manage and review the Supplier’s performance under this Contract, as further described in Paragraph 1.5 of Part B;
“Repeat KPI Failure”	has the meaning given in Paragraph 3.1 of Part A;
“Satisfaction Survey”	has the meaning given in Paragraph 6.1 of Part B of Annex 1;
“Service Availability”	has the meaning given in Paragraph 2 of Part B of Annex 1;
“Service Downtime”	any period of time during which any of the Services are not Available; and

“System Response Time” has the meaning given in Paragraph 3.1 of Part B of Annex 1.

“TNA” The National Archives

Part A: Performance Indicators and Service Credits

1. Performance Indicators

- 1.1 Annex 1 sets out the Key Performance Indicators and Subsidiary Performance Indicators which the Parties have agreed shall be used to measure the performance of the Services and Social Value by the Supplier.
- 1.2 The Supplier shall monitor its performance against each Performance Indicator and shall send the Authority a report detailing the level of service actually achieved in accordance with Part B.
- 1.3 Service Points, and therefore Service Credits, shall accrue for any KPI Failure and shall be calculated in accordance with Paragraphs 2, 3 and 5.

2. Service Points

- 2.1 If the level of performance of the Supplier during a Service Period achieves the Target Performance Level in respect of a Key Performance Indicator, no Service Points shall accrue to the Supplier in respect of that Key Performance Indicator.
- 2.2 If the level of performance of the Supplier during a Service Period is below the Target Performance Level in respect of a Key Performance Indicator, Service Points shall accrue to the Supplier in respect of that Key Performance Indicator as set out in Paragraph 2.3.
- 2.3 The number of Service Points that shall accrue to the Supplier in respect of a KPI Failure shall be the applicable number as set out in Annex 1 depending on whether the KPI Failure is a Minor KPI Failure, a Serious KPI Failure or a Severe KPI Failure, unless the KPI Failure is a Repeat KPI Failure when the provisions of Paragraph 3.2 shall apply.

3. Repeat KPI Failures and Related KPI Failures

Repeat KPI Failures

- 3.1 If a KPI Failure occurs in respect of the same Key Performance Indicator in any two consecutive Measurement Periods, the second and any subsequent such KPI Failure shall be a “**Repeat KPI Failure**”.
- 3.2 The number of Service Points that shall accrue to the Supplier in respect of a KPI Failure that is a Repeat KPI Failure shall be calculated as follows:

$$SP = P \times 2$$

where:

SP = the number of Service Points that shall accrue for the Repeat KPI Failure; and

P = the applicable number of Service Points for that KPI Failure as set out in Annex 1 depending on whether the Repeat KPI Failure is a Minor KPI Failure, a Serious KPI Failure, a Severe KPI Failure or a failure to meet the KPI Service Threshold.

Worked example based on the following Service Points regime for Service Availability:

Service Availability Severity Levels		Service Points
Target Performance Level:	99%	0
Minor KPI Failure:	98.0% - 98.9%	1
Serious KPI Failure:	97.0% - 97.9%	2
Severe KPI Failure:	96.0% - 96.9%	3
KPI Service Threshold:	below 96%	4

Example 1:

If the Supplier achieves Service Availability of 98.5% in a given Measurement Period, it will incur a Minor KPI Failure for Service Availability in that Measurement Period and accordingly accrue 1 Service Point. If, in the next Measurement Period, it achieves Service Availability of 96.5%, it will incur a Severe KPI Failure and accordingly accrue 3 Service Points, but as the failure is a Repeat Failure, this amount is doubled and so the Supplier will incur 6 Service Points for the failure (i.e. $SP = 3 \times 2$). If in the next Measurement Period it achieves Service Availability of 96.5%, the Supplier will again incur 6 Service Points.

Example 2:

If the Supplier achieves Service Availability of 96.5% in a given Measurement Period, it will incur a Severe KPI Failure for Service Availability in that Measurement Period and accordingly accrue 3 Service Points. If, in the next Measurement Period, it achieves Service Availability of 98.5%, it will incur a Minor KPI Failure and accordingly accrue 1 Service Point, but as the failure is a Repeat Failure, this amount is doubled and so the Supplier will incur 2 Service Points for the failure (i.e. $SP = 1 \times 2$). If in the next Measurement Period it achieves Service Availability of 96.5%, the Supplier will incur 6 Service Points.

Related KPI Failures

3.3 If any specific Key Performance Indicators refer to both Service Availability and System Response Times, the System Response Times achieved by the Supplier for any period of time during a Service Period during which the relevant Service or element of a Service is determined to be Non-Available shall not be taken into account in calculating the average System Response Times over the course of that Service Period. Accordingly, the Supplier shall not incur any Service Points for failure to meet System Response Times in circumstances where such failure is a result of, and the Supplier has already incurred Service Points for, the Service being Non-Available.

4. Permitted Maintenance

4.1 The Supplier shall be allowed to book a maximum of 1 hour Service Downtime for Permitted Maintenance in any one Service Period which shall take place between the hours and on the day specified in the Maintenance Schedule unless otherwise agreed in writing with the Authority.

5. Service Credits

5.1 Schedule 15 (*Charges and Invoicing*) sets out the mechanism by which Service Points shall be converted into Service Credits.

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- 5.2 The Authority shall use the Performance Monitoring Reports provided pursuant to Part B, among other things, to verify the calculation and accuracy of the Service Credits (if any) applicable to each Service Period.

Part B: Performance Monitoring

1. Performance Monitoring and Performance Review

- 1.1 Within 10 Working Days of the end of each Service Period, the Supplier shall provide:
- 1.1.1 a report to the Authority Representative which summarises the performance by the Supplier against each of the Performance Indicators as more particularly described in Paragraph 1.2 (the “**Performance Monitoring Report**”); and
 - 1.1.2 a report created by the Supplier to the Authority’s senior responsible officer which summarises the Supplier’s performance over the relevant Service Period as more particularly described in Paragraph 1.3 (the “**Balanced Scorecard Report**”).

Performance Monitoring Report

- 1.2 The Performance Monitoring Report shall be in such format as agreed between the Parties from time to time and contain, as a minimum, the following information:

Information in respect of the Service Period just ended

- 1.2.1 for each Key Performance Indicator and Subsidiary Performance Indicator, the actual performance achieved over the Service Period, and that achieved over the previous 3 Measurement Periods;
- 1.2.2 a summary of all Performance Failures that occurred during the Service Period;
- 1.2.3 the severity level of each KPI Failure which occurred during the Service Period and whether each PI Failure which occurred during the Service Period fell below the PI Service Threshold;
- 1.2.4 which Performance Failures remain outstanding and progress in resolving them;
- 1.2.5 for any Material KPI Failures or Material PI Failures occurring during the Service Period, the cause of the relevant KPI Failure or PI Failure and the action being taken to reduce the likelihood of recurrence;
- 1.2.6 the status of any outstanding Rectification Plan processes, including:
 - (a) whether or not a Rectification Plan has been agreed; and
 - (b) where a Rectification Plan has been agreed, a summary of the Supplier’s progress in implementing that Rectification Plan;
- 1.2.7 for any Repeat Failures, actions taken to resolve the underlying cause and prevent recurrence;
- 1.2.8 the number of Service Points awarded in respect of each KPI Failure;
- 1.2.9 the Service Credits to be applied, indicating the KPI Failure(s) to which the Service Credits relate;
- 1.2.10 the conduct and performance of any agreed periodic tests that have occurred, such as the annual failover test of the Service Continuity Plan;

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- 1.2.11 relevant particulars of any aspects of the Supplier's performance which fail to meet the requirements of this Contract;
- 1.2.12 such other details as the Authority may reasonably require from time to time; and

Information in respect of previous Service Periods

- 1.2.13 a rolling total of the number of Performance Failures that have occurred over the past six Service Periods;
- 1.2.14 the amount of Service Credits that have been incurred by the Supplier over the past six Service Periods;
- 1.2.15 the conduct and performance of any agreed periodic tests that have occurred in such Service Period such as the annual failover test of the Service Continuity Plan; and

Information in respect of the next Quarter

- 1.2.16 any scheduled Service Downtime for Permitted Maintenance and Updates that has been agreed between the Authority and the Supplier for the next Quarter.

Balanced Scorecard Report

- 1.3 The Balanced Scorecard Report shall be presented in the form of an online accessible dashboard and, as a minimum, shall contain a high level summary of the Supplier's performance over the relevant Service Period, including details of the following:
 - 1.3.1 financial indicators;
 - 1.3.2 the Target Performance Levels achieved;
 - 1.3.3 behavioural indicators;
 - 1.3.4 performance against its obligation to pay its Sub-contractors within thirty (30) days of receipt of an undisputed invoice;
 - 1.3.5 performance against its obligation to pay its Unconnected Sub-contractors within sixty (60) days of receipt of an invoice;
 - 1.3.6 Milestone trend chart, showing performance of the overall programme;
 - 1.3.7 sustainability indicators, for example net zero carbon, waste minimisation or performance to support a circular economy; and
 - 1.3.8 Social Value (as applicable).
- 1.4 The Performance Monitoring Report and the Balanced Scorecard Report shall be reviewed and their contents agreed by the Parties at the next Performance Review Meeting held in accordance with Paragraph 1.5.
- 1.5 The Parties shall attend meetings on a monthly basis (unless otherwise agreed) to review the Performance Monitoring Reports and the Balanced Scorecard Reports. The Performance Review Meetings shall (unless otherwise agreed):

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- 1.5.1 take place within 5 Working Days of the Performance Monitoring Report being issued by the Supplier;
 - 1.5.2 take place at such location and time (within normal business hours) as the Authority shall reasonably require (unless otherwise agreed in advance); and
 - 1.5.3 be attended by the Supplier Representative and the Authority Representative.
- 1.6 The Authority shall be entitled to raise any additional questions and/or request any further information from the Supplier regarding any KPI Failure and/or PI Failure.

2. Performance Records

- 2.1 The Supplier shall keep appropriate documents and records (including staff records, timesheets, training programmes, staff training records, goods received documentation, supplier accreditation records, complaints received etc) in relation to the Services being delivered. Without prejudice to the generality of the foregoing, the Supplier shall maintain accurate records of call histories for a minimum of 12 months and provide prompt access to such records to the Authority upon the Authority's request. The records and documents of the Supplier shall be available for inspection by the Authority and/or its nominee at any time and the Authority and/or its nominee may make copies of any such records and documents.
- 2.2 In addition to the requirement in Paragraph 2.1 to maintain appropriate documents and records, the Supplier shall provide to the Authority such supporting documentation as the Authority may reasonably require in order to verify the level of the performance of the Supplier both before and after each Operational Service Commencement Date and the calculations of the amount of Service Credits for any specified period.
- 2.3 The Supplier shall ensure that the Performance Monitoring Report, the Balanced Scorecard Report (as well as historic Performance Monitoring Reports and historic Balance Scorecard Reports) and any variations or amendments thereto, any reports and summaries produced in accordance with this Schedule and any other document or record reasonably required by the Authority are available to the Authority on-line and are capable of being printed.

3. Performance Verification

- 3.1 The Authority reserves the right to verify the Availability of the IT Environment and/or the Services and the Supplier's performance under this Contract against the Performance Indicators including by sending test transactions through the IT Environment or otherwise.

Annex 1: Key Performance Indicators and Subsidiary Performance Indicators

Part A: Key Performance Indicators and Subsidiary Performance Indicators Tables

The Key Performance Indicators and Subsidiary Performance Indicators that shall apply to the Operational Services and the Key Performance Indicators relating to Social Value are set out below:

1. Key Performance Indicators

No.	Key Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels	Service Points	Publishable Performance Information
KPI 1	Service Availability	See Paragraph 1 of Part B of this Annex	Monthly	Target Performance Level: 99.99%	0	NO
				Minor KPI Failure: 98.99% - 99.98%	1	
				Serious KPI Failure: 97.99% - 98.98%	2	
				Severe KPI Failure: 96.99% - 97.98%	3	
				KPI Service Threshold: below 96.99%	4	
KPI 2	Digital Mailroom - 13:00 Agreed Daily Flow of Scanned and Indexed Images	See Paragraph 8 of Part B of this Annex	Monthly	Target Performance Level: 98%	0	NO
				Minor KPI Failure: 97.6% - 97.9%	1	
				Serious KPI Failure: 97.3% - 97.5%	2	

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No.	Key Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels	Service Points	Publishable Performance Information
				Severe KPI Failure: 97.0% - 97.2%	3	
				KPI Service Threshold: below 97%	4	
KPI 3	Digital Mailroom - 17:00 Agreed Daily Flow of Scanned and Indexed Images	See Paragraph 9 of Part B of this Annex	Monthly	Target Performance Level: 99%	0	YES
				Minor KPI Failure: 98.6% - 98.9%	1	
				Serious KPI Failure: 98.3% - 98.5%	2	
				Severe KPI Failure: 98.0% - 98.2%	3	
				KPI Service Threshold: below 98%	4	
KPI 4	Digital Mailroom - 00:00 Agreed Daily Flow of Scanned and Indexed Images	See Paragraph 10 of Part B of this Annex	Monthly	Target Performance Level: 100%	0	NO
				Minor KPI Failure: 99.6% - 99.9%	1	
				Serious KPI Failure: 99.3% - 99.5%	2	
				Severe KPI Failure: 99.0% - 99.2%	3	
				KPI Service Threshold: below 99%	4	
KPI 5			Monthly	Target Performance Level: 100%	0	NO

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No.	Key Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels	Service Points	Publishable Performance Information
	Digital Mailroom - Debt Management - Agreed Daily Flow of Scanned and Indexed Images	See Paragraph 11 of Part B of this Annex		Minor KPI Failure: 99.6% - 99.9%	1	
				Serious KPI Failure: 99.3% - 99.5%	2	
				Severe KPI Failure: 99.0% - 99.2%	3	
				KPI Service Threshold: below 99%	4	
KPI 6	Digital Mailroom - Indexing Accuracy (Primary indicator)	See Paragraph 12 of Part B of this Annex	Monthly	Target Performance Level: 99.90% - 100%	0	YES
				Minor KPI Failure: 99.80% - 99.89%	1	
				Serious KPI Failure: 99.60% - 99.79%	2	
				Severe KPI Failure: 99.40% - 99.59%	3	
				KPI Service Threshold: below 99.39%	4	
KPI 7	Digital Mailroom - Indexing Accuracy (All indexing)	See Paragraph 13 of Part B of this Annex	Monthly	Target Performance Level: 99.90% - 100%	0	NO
				Minor KPI Failure: 99.80% - 99.89%	1	
				Serious KPI Failure: 99.60% - 99.79%	2	

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No.	Key Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels	Service Points	Publishable Performance Information
				Severe KPI Failure: 99.40% - 99.59%	3	
				KPI Service Threshold: below 99.39%	4	
KPI 8	Digital Mailroom – Hard Copy Mail preparation and despatch	See Paragraph 14 of Part B of this Annex	Monthly	Target Performance Level: 100%	0	NO
				Minor KPI Failure: 99.3% - 99.9%	1	
				Serious KPI Failure: 99.0% - 99.2%	2	
				Severe KPI Failure: 98.6% - 98.9%	3	
				KPI Service Threshold: below 98.5%	4	
KPI 9	Digital Mailroom – Preparation and scan of bankable documents	See Paragraph 15 of Part B of this Annex	Monthly	Target Performance Level: 100%	0	NO
				Minor KPI Failure: 99.6% - 99.9%	1	
				Serious KPI Failure: 99.3% - 99.5%	2	
				Severe KPI Failure: 99.0% - 99.2%	3	
				KPI Service Threshold: below 99%	4	
KPI 10			Monthly	Target Performance Level: 100%	0	NO

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No.	Key Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels	Service Points	Publishable Performance Information
	Digital Mailroom – Destruction	See Paragraph 16 of Part B of this Annex		Minor KPI Failure: 99.3% - 99.9%	1	
				Serious KPI Failure: 99.0% - 99.2%	2	
				Severe KPI Failure: 98.6% - 98.9%	3	
				KPI Service Threshold: below 98.5%	4	
KPI 11	Digital Mailroom – Rescan Requests	See Paragraph 17 of Part B of this Annex	Monthly	Target Performance Level: 100%	0	NO
				Minor KPI Failure: 99.6% - 99.9%	1	
				Serious KPI Failure: 99.3% - 99.5%	2	
				Severe KPI Failure: 99.0% - 99.2%	3	
				KPI Service Threshold: below 99%	4	
KPI 12	Digital Mailroom – Valuable Documents handling (monetary)	See Paragraph 18 of Part B of this Annex	Monthly	Target Performance Level: 100%	0	NO
				Minor KPI Failure: 99.6% - 99.9%	1	
				Serious KPI Failure: 99.3% - 99.5%	2	

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No.	Key Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels	Service Points	Publishable Performance Information
				Severe KPI Failure: 99.0% - 99.2%	3	
				KPI Service Threshold: below 99%	4	
KPI 13	Digital Mailroom – Valuable Documents handling (non-monetary)	See Paragraph 19 of Part B of this Annex	Monthly	Target Performance Level: 100%	0	NO
				Minor KPI Failure: 99.6% - 99.9%	1	
				Serious KPI Failure: 99.3% - 99.5%	2	
				Severe KPI Failure: 99.0% - 99.2%	3	
				KPI Service Threshold: below 99%	4	
KPI 14	Digital Mailroom – E-mail ingestion	See Paragraph 20 of Part B of this Annex	Monthly	Target Performance Level: 100%	0	YES
				Minor KPI Failure: 99.6% - 99.9%	1	
				Serious KPI Failure: 99.3% - 99.5%	2	
				Severe KPI Failure: 99.0% - 99.2%	3	
				KPI Service Threshold: below 99%	4	
KPI 15			Monthly	Target Performance Level: 100%	0	NO

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No.	Key Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels	Service Points	Publishable Performance Information
	Digital Mailroom – Department for Communities Northern Ireland – Scanned images processed (during operational hours)	See Paragraph 21 of Part B of this Annex		Minor KPI Failure: 99.6% - 99.9%	1	
				Serious KPI Failure: 99.3% - 99.5%	2	
				Severe KPI Failure: 99.0% - 99.2%	3	
				KPI Service Threshold: below 99%	4	
KPI 16	Digital Mailroom – Department for Communities Northern Ireland – Scanned images processed (outside of operational hours)	See Paragraph 22 of Part B of this Annex	Monthly	Target Performance Level: 100%	0	NO
				Minor KPI Failure: 99.6% - 99.9%	1	
				Serious KPI Failure: 99.3% - 99.5%	2	
				Severe KPI Failure: 99.0% - 99.2%	3	
				KPI Service Threshold: below 99%	4	
KPI 17	Records Management - Item Intake - Indexed and Non-Indexed (includes Returns)	See Paragraph 23 of Part B of this Annex	Monthly	Target Performance Level: 99.5%	0	NO
				Minor KPI Failure: 99.0% - 99.4%	1	
				Serious KPI Failure: 98.0% - 98.9%	2	

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No.	Key Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels	Service Points	Publishable Performance Information
				Severe KPI Failure: 97.1% - 97.9%	3	
				KPI Service Threshold: below 97%	4	
KPI 18	Records Management – Item Retrieval	See Paragraph 24 of Part B of this Annex	Monthly	Target Performance Level: 99.9%	0	NO
				Minor KPI Failure: 99.6% - 99.8%	1	
				Serious KPI Failure: 99.3% - 99.5%	2	
				Severe KPI Failure: 99.0% - 99.2%	3	
				KPI Service Threshold: below 99%	4	
KPI 19	Records Management – Retrieval Urgent	See Paragraph 25 of Part B of this Annex	Monthly	Target Performance Level: 100%	0	NO
				Minor KPI Failure: 99.8% - 99.9%	1	
				Serious KPI Failure: 99.6% - 99.7%	2	
				Severe KPI Failure: 99.4% - 99.5%	3	
				KPI Service Threshold: below 99.3%	4	

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No.	Key Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels	Service Points	Publishable Performance Information
KPI 20	Records Management – Secure Destruction	See Paragraph 26 of Part B of this Annex	Monthly	Target Performance Level: 100%	0	NO
				Minor KPI Failure: 99.7% - 99.9%	1	
				Serious KPI Failure: 99.4% - 99.6%	2	
				Severe KPI Failure: 99.26% - 99.3%	3	
				KPI Service Threshold: below 99.25%	4	
KPI 21	Records Management – Scan on Demand	See Paragraph 27 of Part B of this Annex	Monthly	Target Performance Level: 100%	0	NO
				Minor KPI Failure: 99.6% - 99.9%	1	
				Serious KPI Failure: 99.3% - 99.5%	2	
				Severe KPI Failure: 99.0% - 99.2%	3	
				KPI Service Threshold: below 99%	4	
KPI 22	Priority 1 Incident Resolution	See Paragraph 46 of Part B of this Annex	Monthly	Target Performance Level: >=90%	0	NO
				Minor KPI Failure: 89.5% - 89.99%	1	

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No.	Key Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels	Service Points	Publishable Performance Information
				Serious KPI Failure: 89.0% - 89.49%	2	
				Severe KPI Failure: 88.5% - 88.99%	3	
				KPI Service Threshold: below 88.5%	4	
KPI 23	Priority 2 Incident Resolution	See Paragraph 47 of Part B of this Annex	Monthly	Target Performance Level: >=95%	0	NO
				Minor KPI Failure: 94.5% - 94.99%	1	
				Serious KPI Failure: 94.0% - 94.49%	2	
				Severe KPI Failure: 93.49% - 93.99%	3	
				KPI Service Threshold: below 93.49%	4	

2. Subsidiary Performance Indicators

No.	Subsidiary Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels	Publishable Performance Information
PI 1	Digital Mailroom – Banked Documents	See Paragraph 28 of Part B of this Annex	Monthly	Target Performance Level: 100% PI Service Threshold: 99%	NO

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No.	Subsidiary Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels	Publishable Performance Information
PI 2	Digital Mailroom – Batch receipt in FIMS	See Paragraph 29 of Part B of this Annex	Monthly	Target Performance Level: 100% PI Service Threshold: 99.9%	NO
PI 3	Digital Mailroom – Scanned image quality	See Paragraph 30 of Part B of this Annex	Monthly	Target Performance Level: 100% PI Service Threshold: 99.7%	NO
PI 4	Records Management – Stock and despatch	See Paragraph 31 of Part B of this Annex	Monthly	Target Performance Level: 99.75% PI Service Threshold: 99%	NO
PI 5	Records Management – Space Creation	See Paragraph 32 of Part B of this Annex	Monthly	Target Performance Level: 100% PI Service Threshold: 99.5%	NO
PI 6	Records Management – Updating information on the RM System	See Paragraph 33 of Part B of this Annex	Monthly	Target Performance Level: 99% PI Service Threshold: 96%	NO
PI 7	Records Management – Data transfer and upload	See Paragraph 34 of Part B of this Annex	Monthly	Target Performance Level: 99% Service Threshold: 96%	NO
PI 8	Records Management – Not found reporting	See Paragraph 35 of Part B of this Annex	Monthly	Target Performance Level: 100% PI Service Threshold: 99.5%	NO
PI 9	Records Management – Not found investigation	See Paragraph 36 of Part B of this Annex	Monthly	Target Performance Level: 100% PI Service Threshold: 99.5%	NO
PI 10	Records Management – Corporate records - Cataloguing (spelling)	See Paragraph 37 of Part B of this Annex	Monthly	Target Performance Level: 100% PI Service Threshold: 99.7%	NO
PI 11	Records Management – Corporate records - Cataloguing (punctuation)	See Paragraph 38 of Part B of this Annex	Monthly	Target Performance Level: 100% PI Service Threshold: 99.7%	NO

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No.	Subsidiary Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels	Publishable Performance Information
PI 12	Records Management – Corporate records - Cataloguing (styles)	See Paragraph 39 of Part B of this Annex	Monthly	Target Performance Level: 100% PI Service Threshold: 99.7%	NO
PI 13	Records Management – Corporate records - Cataloguing (TNA standards)	See Paragraph 40 of Part B of this Annex	Monthly	Target Performance Level: 100% PI Service Threshold: 99.7%	NO
PI 14	Records Management – Corporate records – Preparation (identification)	See Paragraph 41 of Part B of this Annex	Monthly	Target Performance Level: 100% PI Service Threshold: 99.7%	NO
PI 15	Records Management – Corporate records – Preparation (completion)	See Paragraph 42 of Part B of this Annex	Monthly	Target Performance Level: 100% PI Service Threshold: 99.7%	NO
PI 16	Records Management – Corporate records - Transfer	See Paragraph 43 of Part B of this Annex	Monthly	Target Performance Level: 100% PI Service Threshold: 99.7%	NO
PI 17	Records Management – Corporate records - Destruction	See Paragraph 44 of Part B of this Annex	Monthly	Target Performance Level: 100% PI Service Threshold: 99.7%	NO
PI 18	Records Management Bulk Projects	See Paragraph 45 of Part B of this Annex	Monthly	Target Performance Level: 100% PI Service Threshold: 99%	NO
PI 19	Priority Incident 3	See Paragraph 48 of Part B of this Annex	Monthly	Target Performance Level: 95% PI Service Threshold: 94.99%	NO

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No.	Subsidiary Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels	Publishable Performance Information
PI 20	Priority Incident 4	See Paragraph 49 of Part B of this Annex	Monthly	Target Performance Level: 90% PI Service Threshold: 89.99%	NO
PI 21	Parties to liaise and agree details of Social Value PI 1 to be included within 40 days of Effective Date	Parties to liaise and agree details to be included within 40 days of Effective Date	Parties to liaise and agree details to be included within 40 days of Effective Date	Parties to liaise and agree details to be included within 40 days of Effective Date	[Parties to liaise and agree details to be included within 40 days of Effective Date
PI 22	Parties to liaise and agree details of Social Value PI 2 to be included within 40 days of Effective Date	As above	As above	As above	As above
PI 23	Parties to liaise and agree details of Social Value PI 3 to be included within 40 days of Effective Date	As above	As above	As above	As above

Part B: Definitions

1. Available

- 1.1 The IT Environment and/or the Services shall be Available when:
- 1.1.1 End Users are able to access and utilise all the functions of the Supplier System and/or the Services; and
 - 1.1.2 the Supplier System is able to process the Authority Data and to provide any required reports within the timescales set out in the Services Description (as measured on a 24 x 7 basis); and
 - 1.1.3 all Performance Indicators other than Service Availability are above the KPI Service Threshold.

2. Service Availability

- 2.1 Service Availability shall be measured as a percentage of the total time in a Service Period, in accordance with the following formula:

$$\text{Service Availability \%} = \frac{(MP - SD) \times 100}{MP}$$

where:

MP = total number of minutes, excluding Permitted Maintenance, within the relevant Service Period; and

SD = total number of minutes of Service Downtime, excluding Permitted Maintenance, in the relevant Service Period.

- 2.2 When calculating Service Availability in accordance with this Paragraph 2:

2.2.1 Service Downtime arising due to Permitted Maintenance that is carried out by the Supplier in accordance with Clause 9.4 (*Maintenance*) shall be subtracted from the total number of hours in the relevant Service Period; and

2.2.2 Service Points shall accrue if:

- (a) any Service Downtime occurs as a result of Emergency Maintenance undertaken by the Supplier; or
- (b) where maintenance undertaken by the Supplier exceeds 2 hours in any Service Period.

3. Response Times

- 3.1 The "System Response Time" is the round trip time taken to process a message or request of the IT Environment and/or the Services, and shall be measured from the moment the last packet of data which relates to a particular message is received at the external interface of the IT Environment until a response is generated and the first block

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of data leaves the external interface (including, for the avoidance of doubt, the time taken for any necessary processing).

- 3.2 The Supplier System Response Time shall be the average System Response Time measured over the course of a Service Period.

4. Help Desk Response Times

- 4.1 Not used.

5. Fix Times

- 5.1 Not used

5A Reporting on the Contract: General

- 5A.1 The Supplier shall collaborate with the Authority to establish and maintain an effective and beneficial working relationship to ensure the Contract is delivered in accordance with the terms of this Contract.
- 5A.2 The Authority may from time to time make requests for information from the Supplier where it reasonably considers such requests necessary to satisfy itself of the Supplier's compliance with the Contract. The Supplier shall comply with such requests without undue delay and shall source and deliver such requested information at no additional charge to the Authority.
- 5A.3 The Authority may undertake spot checks at any time to ensure that the Supplier is complying with its obligations under this Contract and the Supplier shall co-operate fully, at its own cost, with the Authority in respect of such checks.
- 5A.4 The Supplier shall manage and report on its Sub-contracting arrangements in the manner and at the frequency required by the Authority. The Supplier shall have in place mechanisms for the provision of Management Information, including feedback to and from customers and stakeholders, change control procedures and the prompt resolution of any problems.
- 5A.5 In all instances, the Supplier shall co-operate and provide such reasonable assistance as may be necessary to facilitate monitoring in relation to the Contract. Failure to provide such reasonable assistance shall be deemed a Default.

6. Satisfaction Surveys

- 6.1 In order to assess the level of performance of the Supplier, the Authority may undertake satisfaction surveys in respect of End Users or various groups of End Users (each such survey a "**Satisfaction Survey**"), the results of which may be reflected in the Balanced Scorecard Report. The subject matter of Satisfaction Surveys may include:
- 6.1.1 the assessment of the Supplier's performance by the End Users against the agreed Key Performance Indicators and Subsidiary Performance Indicators; and/or
- 6.1.2 other suggestions for improvements to the Services.
- 6.2 The Authority shall reflect in the Balanced Scorecard Report any aspects of the Supplier's performance of the Services which the responses to the Satisfaction Surveys reasonably suggest are not meeting the Services Description.

7. Virtual Library Completeness

- 7.1 The Virtual Library shall be complete where all of the information required under Schedule 24 (*Reports and Records Provisions*) (*Annex 3: Records To Upload To Virtual Library*) has been uploaded to the Virtual Library in accordance with Paragraph 4 of that Schedule.

8. Digital Mailroom – 13:00 Agreed Daily Flow of Scanned and Indexed Images

- 8.1 A minimum of 50% of the Agreed Daily Flow (as defined below) (excluding emails) and 100% of the resulting scanned and indexed images shall be issued to the Authority's appropriate systems, e.g. File Import Management System (FIMS), by 13:00 daily. To the extent that this minimum level is exceeded, the supplier shall use reasonable endeavours to process and issue any additional scanned images to the Authority by 13:00.

9. Digital Mailroom - 17:00 Agreed Daily Flow of Scanned and Indexed Images

- 9.1 100% of the Agreed Daily Flow (excluding emails) and 100% of the resulting scanned and indexed images shall be issued to the Authority's appropriate systems, e.g. File Import Management System (FIMS) by 17:00 daily. To the extent that this minimum level is exceeded, the supplier shall use reasonable endeavours to process and issue any additional scanned images to the Authority by 17:00.

10. Digital Mailroom – 00:00 Agreed Daily Flow of Scanned and Indexed Images

- 10.1 100% of the Agreed Daily Flow (excluding emails) and 100% of the resulting scanned and indexed images shall be issued to the Authority's appropriate systems, e.g. File Import Management System (FIMS), by 00:00 (midnight) daily. To the extent that this minimum level is exceeded, the supplier shall use reasonable endeavours to process and issue any additional scanned images to the Authority by 00:00 (midnight).

11. Digital Mailroom – Debt Management Agreed Daily Flow of Scanned and Indexed Images

- 11.1 DEBT MANAGEMENT - provide the Agreed Daily Flow at specified times during the day and in five (5) daily files as follows:
- 11.1.1 First file containing minimum of 33% of general post images received by 10am;
 - 11.1.2 Second file containing a minimum of 33% of general post images received by 1pm;
 - 11.1.3 File containing Instrument of Payment (IOP) post images received by 3pm;
 - 11.1.4 File containing Dead Letter Office (DLO) post scanned images received by 3pm;
 - 11.1.5 Third file containing the remaining general post images received by 4pm.

12. Digital Mailroom – Indexing Accuracy (Primary Indicator)

- 12.1 Indexing accuracy at National Insurance Number (NINO) level or other relevant reference number as specified in Schedule 2: Services Description (e.g. Customer Reference

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Number (CRN) or Labour Market Strategy (LMS)) is measured against NINO or other relevant reference number.

13. Digital Mailroom – Indexing Accuracy (All indexing)

- 13.1 Indexation accuracy is measured against all characters where no NINO or other relevant reference number is present.

14. Digital Mailroom – Hard Copy Mail preparation and despatch

- 14.1 On the day of receipt, all hard copy mail Documents including exempt Documents, are prepared and meet the daily times for despatch to the Authority's courier network provider.

15. Digital Mailroom – Preparation and scan of bankable documents

- 15.1 The Supplier must prepare all bankable Valuables and scan into the Authority's banking providers digital banking system on the day of receipt. (For the purpose of this KPI only the 'day of receipt' means any bankable Document, received by the Supplier at the Supplier's premises before 12.00 noon on the day in question or after 12.00 noon on the previous day. For example, any bankable Document, received between 12.00 noon on Tuesday and 11:59 on Wednesday will be given a day of receipt of Wednesday; and any bankable Document, received between 12.00 noon on Wednesday and 11:59 on Thursday will be given a day of receipt of Thursday).

16. Digital Mailroom – Destruction

- 16.1 100% of original documents scanned by the Mail Room which are appropriate for destruction shall be securely destroyed within 5 working days of the agreed destruction date, unless otherwise agreed with the Authority.

17. Digital Mailroom – Rescan requests

- 17.1 100% of requests for a re-scan will be:
 - 17.1.1 processed the same working day when received prior to 12:00;
 - 17.1.2 processed within 24 hours of receipt (within normal working days) when received at, or later than, 12:00.
- 17.1.1 and 17.1.2 apply for both manual and electronic requests

18. Digital Mailroom – Valuable Documents handling (monetary)

- 18.1 All hard copy Valuable Documents and hard copy non-bankable documents of monetary value received by the supplier shall be forwarded to the appropriate Business Lines' nominated Single Point Of Contact (SPOC) by the Authority's courier, on day of receipt.

19. Digital Mailroom – Valuable Documents handling (non-monetary)

- 19.1 100 % of Valuables shall be returned to the customer or representative on the day of receipt, in accordance with the valuables list

20. Digital Mailroom – e-mail ingestion

- 20.1 100% of all emails received by 16:00 on a Working Day for Email Ingestion shall be issued to the Authority's appropriate systems e.g. File Import Management System (FIMS) by 17:00 on the same day.

21. Digital Mailroom – DfCNI - Scanned images processed (during operational hours)

- 21.1 Where the total volume of scanned images that the Supplier receives from the DfCNI, within the Service Hours is up to the Agreed Daily Flow, 100% of those scanned images will be indexed and issued to the Authority's File Import Management System (FIMS) within 24 hours, on the next working day

22. Digital Mailroom – DfCNI - Scanned images processed (outside operational hours)

- 22.1 Where scanned Images are received from DfCNI outside of the service hours; and the total volume of scanned images that the Supplier receives from DfCNI on a Working Day is up to the agreed daily flow, those scanned images will be indexed and issued to the Authority's File Import Management System (FIMS) by the 09:00 of the second Working Day after receipt.

23. Records Management - Item Intake - Indexed and Non-Indexed (includes Returns)

- 23.1 The Supplier shall ensure that 100% of Records received into storage facility are individually receipted (within 6 hours of receipt), Indexed where required, put away in a unique location and entered into the RM System within 24hrs of receipt by the Supplier. Within normal business hours on Working Days

24. Records Management – Item Retrieval

- 24.1 The Supplier shall retrieve items from the storage facility upon request of an End User. The Supplier shall ensure each requested Item(s) will be made available for collection by the Authority courier supplier on the day after the request was made. The Supplier shall ensure that the RM System is updated in real time to reflect the movement of the item during the retrieval process.

25. Records Management – Retrieval Urgent

- 25.1 The Supplier shall ensure where an Item is requested for Retrieval Urgent by 13:00 by a user, via telephone call to customer service, it is made available for collection by the Authority courier supplier or an Authority representative the same day. The Supplier shall ensure that the RM System is updated in real time to reflect the movement of the item(s) during the retrieval process.

26. Records Management – Secure Destruction

- 26.1 The Supplier shall ensure all Items are prepared for Secure Destruction within 30 calendar days of the scheduled destruction date or as agreed by the Parties. The KPI shall be applied to items up to the average monthly volume, any items that exceed the average monthly volume will be deemed exempt and not taken into account for the purposes of measuring performance against this KPI. The average monthly volume shall be one twelfth of the average volumes for the Contract Year.

27. Records Management – Scan On Demand

- 27.1 The Supplier shall retrieve Records from the storage facility upon request of an End User. The Supplier shall ensure each requested Record(s) will be made available for scanning, scanned, and then presented to the Authority by 17:00 the following Working Day after the request was made. The Supplier shall ensure that the RM System is updated in real time to reflect the activity of that item(s) of the Record during the retrieval and scan process.

28. Digital Mailroom – Banked Documents

- 28.1 The agreed record of banked Documents as specified in Schedule 2: Services Description shall be forwarded to the Authority on the day of banking, including a copy of the bank paying in slip (receipt) of the bankable Documents, where required.

29. Digital Mailroom – Batch receipt in FIMS

- 29.1 The first batch of images for each business unit shall be issued to FIMS as soon as possible but no later than 08.30 on each Working Day.

30. Digital Mailroom – Scanned image quality

- 30.1 All scanned images shall meet with the agreed image quality standards defined within section 4.14 of Schedule 2: Services Description (Schedule 2: Services Description).

31. Records Management – Stock and despatch

- 31.1 99.75% of all requests for boxes and barcodes shall be made available for dispatch within 24hrs of a request from the Authority during normal business hours on Working Days

32. Records Management – Space Creation

- 32.1 During Business-as-Usual Activities the Supplier shall ensure boxes are consolidated as part of the process and provide the Authority with details via monthly reports.

33. Records Management – Updating information on the RM System

- 33.1 Upon request from the Authority the Supplier shall amend all information stored on the RM System relating to an individual Item within 24hrs of the receiving the request during normal business hours on Working Days

34. Records Management – Data transfer and upload

- 34.1 The Supplier shall upload data to the RM System via secure PGP Encrypted E-mail or encrypted USB Memory Stick within 24hrs of the request being received by the Supplier during normal business hours on Working Days

35. Records Management – Not found reporting

- 35.1 The Supplier shall report Items that cannot be found to the Authority within 48hrs after the request was made during normal working hours on Working Days

36. Records Management – Not found investigation

- 36.1 The Supplier shall provide the Authority with a written report detailing all measures taken to find the Record within 20 Working Days of the request for the Record being made.

37. Records Management – Corporate records - Cataloguing (spelling)

- 37.1 All spelling by the Supplier must adhere to standard English

38. Records Management – Corporate records - Cataloguing (punctuation)

- 38.1 All punctuation must be completed in adherence to TNA standards

39. Records Management – Corporate records - Cataloguing (styles)

- 39.1 Cataloguing must adhere to style guidelines from the TNA's cataloguing standard and from any applicable bespoke guidance (to be agreed during Implementation)

40. Records Management – Corporate records - Cataloguing (TNA standards)

- 40.1 Cataloguing must adhere to the rules relating to specific entities covered by the TNA's cataloguing standard, e.g., dates, acronyms and abbreviations, place names

41. Records Management – Corporate records – Preparation (identification)

- 41.1 The Supplier must correctly assess files requiring preparation

42. Records Management – Corporate records – Preparation (completion)

- 42.1 File preparation must be completed to TNA standard prior to Authority/TNA inspection

43. Records Management – Corporate records – Transfer

- 43.1 The Supplier must comply with the transfer deadlines in accordance with the DRO Team's work plan

44. Records Management – Corporate records – Destruction

- 44.1 The Supplier shall ensure Corporate Records and Registered Files are Destroyed within 30 calendar days of authorisation by the DRO Team. Then the Supplier shall retain and store the data in an accessible format in an archive database within the RM System until the archive database is scheduled for deletion.

45. Records Management – Bulk Projects

- 45.1 The Supplier shall both acknowledge receipt in writing of any instruction from the Authority to undertake Bulk Projects within 24hrs and provide a proposal in writing to the Authority within 7 calendar days of instruction being received from the Authority.

46. Priority 1 Incident Resolution

- 46.1 The Supplier shall resolve Priority 1 incidents within 2 hours. This is measured based on the date and time from the point the incident is opened until the date and time the incident is resolved, regardless of where the incident is assigned and including all incident states. This KPI is measured 24 hours per day, 7 days per week, and 365 days per year (366 days in a leap year).

47. Priority 2 Incident Resolution

- 47.1 The Supplier shall resolve Priority 2 incidents within 8 hours. This is measured based on the date and time from the point the incident is opened until the date and time the incident is resolved, regardless of where the incident is assigned and including all incident states. This KPI is measured 24 hours per day, 7 days per week, and 365 days per year (366 days in a leap year).

48. Priority 3 Incident Resolution

- 48.1 The Supplier shall resolve Priority 3 incidents within 20 hours (2 working days). This is measured based on the date and time from the point the incident is opened until the date and time the incident is resolved, regardless of where the incident is assigned and including all incident states. This PI is measured 08:00 to 20:00 Monday to Friday and 08:00 to 17:00 on Saturday.

49. Priority 4 Incident Resolution

- 49.1 The Supplier shall resolve Priority 4 incidents within 30 hours (3 working days). This is measured based on the date and time from the point the incident is opened until the date and time the incident is resolved, regardless of where the incident is assigned and including all incident states. This PI is measured 08:00 to 20:00 Monday to Friday and 08:00 to 17:00 on Saturday.

Schedule 4

Standards

Schedule 4: Standards

1. Definitions

1.1 In this Schedule, the following definitions shall apply:

“Standards Hub” the Government’s open and transparent standards adoption process as documented at <http://standards.data.gov.uk/>; and

“Suggested Challenge” a submission to suggest the adoption of new or emergent standards in the format specified on Standards Hub.

2. General

2.1 Throughout the term of this Contract, the Parties shall monitor and notify each other of any new or emergent standards which could affect the Supplier’s provision, or the Authority’s receipt, of the Services. Any changes to the Standards, including the adoption of any such new or emergent standard, shall be agreed in accordance with the Change Control Procedure.

2.2 Where a new or emergent standard is to be developed or introduced by the Authority, the Supplier shall be responsible for ensuring that the potential impact on the Supplier’s provision, or the Authority’s receipt, of the Services is explained to the Authority (in a reasonable timeframe), prior to the implementation of the new or emergent standard.

2.3 Where Standards referenced conflict with each other or with Good Industry Practice, then the later Standard or best practice shall be adopted by the Supplier. Any such alteration to any Standard(s) shall require the prior written agreement of the Authority and shall be implemented within an agreed timescale.

3. Technology and Digital Services Practice

3.1 The Supplier shall (when designing, implementing and delivering the Services) adopt the applicable elements of HM Government’s Technology Code of Practice as documented at <https://www.gov.uk/service-manual/technology/code-of-practice.html>.

4. Open Data Standards & Standards Hub

4.1 The Supplier shall comply to the extent within its control with UK Government’s Open Standards Principles as documented at <https://www.gov.uk/government/publications/open-standards-principles/open-standards-principles>, as they relate to the specification of standards for software interoperability, data and document formats in the IT Environment.

4.2 Without prejudice to the generality of Paragraph 2.2, the Supplier shall, when implementing or updating a technical component or part of the Software or Supplier Solution where there is a requirement under this Contract or opportunity to use a new or emergent standard, submit a Suggested Challenge compliant with the UK Government’s Open Standards Principles (using the process detailed on Standards Hub and documented at <http://standards.data.gov.uk/>). Each Suggested Challenge submitted by the Supplier shall detail, subject to the security and confidentiality provisions in this Contract, an illustration

of such requirement or opportunity within the IT Environment, Supplier Solution and Government's IT infrastructure and the suggested open standard.

- 4.3 The Supplier shall ensure that all documentation published on behalf of the Authority pursuant to this Contract is provided in a non-proprietary format (such as PDF or Open Document Format (ISO 26300 or equivalent)) as well as any native file format documentation in accordance with the obligation under Paragraph 4.1 to comply with the UK Government's Open Standards Principles, unless the Authority otherwise agrees in writing.

5. Technology Architecture Standards

- 5.1 The Supplier shall produce full and detailed technical architecture documentation for the Supplier Solution in accordance with Good Industry Practice. If documentation exists that complies with the Open Group Architecture Framework 9.2 or its equivalent, then this shall be deemed acceptable.

6. Accessible Digital Standards

- 6.1 The Supplier shall comply with (or with equivalents to):
- 6.1.1 the World Wide Web Consortium (W3C) Web Accessibility Initiative (WAI) Web Content Accessibility Guidelines (WCAG) 2.1 Conformance Level AA; and
 - 6.1.2 ISO/IEC 13066-1: 2011 Information Technology – Interoperability with assistive technology (AT) – Part 1: Requirements and recommendations for interoperability.

7. Service Management Software & Standards

- 7.1 Subject to Paragraphs 2 to 4 (inclusive), the Supplier shall reference relevant industry and HM Government standards and best practice guidelines in the management of the Services, including the following and/or their equivalents:
- 7.1.1 ITIL v4;
 - 7.1.2 ISO/IEC 20000-1 2018 "Information technology — Service management – Part 1";
 - 7.1.3 ISO/IEC 20000-2 2019 "Information technology — Service management – Part 2";
 - 7.1.4 ISO 10007: 2017 "Quality management systems – Guidelines for configuration management"; and
 - 7.1.5 ISO 22313:2020 "Security and resilience. Business continuity management systems. Guidance on the use of ISO 22301" and, ISO/IEC 27031:2011 and ISO 22301:2019.
- 7.2 For the purposes of management of the Services and delivery performance the Supplier shall make use of Software that complies with Good Industry Practice including availability, change, incident, knowledge, problem, release & deployment, request fulfilment, service asset and configuration, service catalogue, service level and service portfolio management. If such Software has been assessed under the ITIL Software Scheme as being compliant to "Bronze Level", then this shall be deemed acceptable.

8. Sustainability

- 8.1 The Supplier shall comply with the sustainability requirements set out in Annex 1 to this Schedule 4.

9. Hardware Safety Standards

- 9.1 The Supplier shall comply with those BS or other standards relevant to the provision of the Services, including the following or their equivalents:
- 9.1.1 any new hardware required for the delivery of the Services (including printers), shall conform to BS EN IEC 62368-1:2020+A11:2020 or subsequent replacements. In considering where to site any such hardware, the Supplier shall consider the future working user environment and shall position the hardware sympathetically, wherever possible;
 - 9.1.2 any new audio, video and similar electronic apparatus required for the delivery of the Services, shall conform to the following standard: BS EN IEC 62368-1:2020+A11:2020 or any subsequent replacements;
 - 9.1.3 any new laser printers or scanners using lasers, required for the delivery of the Services, shall conform to either of the following safety Standards: BS EN 60825-1:2014 or any subsequent replacements; and
 - 9.1.4 any new apparatus for connection to any telecommunication network, and required for the delivery of the Services, shall conform to the following safety Standard: BS EN 62949:2017 or any subsequent replacements.
- 9.2 Where required to do so as part of the Services, the Supplier shall perform electrical safety checks in relation to all equipment supplied under this Contract in accordance with the relevant health and safety regulations.
- 9.3 The Supplier shall ensure all electrical equipment it uses to provide the Services (whether owned by the Supplier or a third party), is safe and properly maintained as detailed in the Provision and Use of Work Equipment Regulations 1998
<http://www.hse.gov.uk/work-equipment-machinery/puwer.htm>
- 9.4 If at any time it is identified that any of the Authority equipment, cables or peripherals are no longer fit for purpose and need replacement, Authority will provide suitable and fit for purpose replacements.

Annex 1: Sustainability

1. Definitions

1.1 In this Annex 1, the following definitions shall apply:

“Permitted Item”	means those items which are permissible under this Contract to the extent set out in Table B of this Annex 1;
“Prohibited Items”	means those items which are not permissible under this Contract as set out at Table A of this Annex 1;
“Sustainability Reports”	written reports to be completed by the Supplier containing the information outlined in Table C of this Annex 1; and
“Waste Hierarchy”	means prioritisation of waste management in the following order of preference as set out in the Waste (England and Wales) Regulation 2011: <ul style="list-style-type: none">(a) Prevention;(b) Preparing for re-use;(c) Recycling;(d) Other Recovery; and(e) Disposal.

1. Public Sector Equality Duty

1.1 In addition to legal obligations, where the Supplier is providing a Service to which the Public Sector Equality duty applies, the Supplier shall support the Authority in fulfilling its Public Sector Equality duty under S149 of the Equality Act 2010 by ensuring that it fulfils its obligations under the Contract in a way that seeks to:

1.1.1 eliminate discrimination, harassment or victimisation and any other conduct prohibited by the Equality Act 2010; and

1.1.2 advance:

(a) equality of opportunity; and

(b) good relations,

between those with a protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage and civil partnership) and those who do not share it.

1.2 The Supplier shall ensure that it fulfils its obligations under the Contract in a way that does not discriminate against individuals because of socio-economic background, working pattern or having parental or other caring responsibilities.

2. Environmental Requirements

- 2.1 The Supplier must perform its obligations meeting in all material respects the requirements of all applicable Laws Contract regarding the environment.
- 2.2 The Supplier warrants that it has obtained relevant Environment Management System (EMS) certified to ISO 14001 or an equivalent certification from a UKAS accredited body and shall comply with and maintain certification requirements throughout the Term.
- 2.3 In performing its obligations under the Contract the Supplier shall, where applicable to the Contract, to the reasonable satisfaction of the Authority:
 - 2.3.1 demonstrate low carbon resource efficiency, including minimising the use of resources and responding promptly to the Authority's reasonable questions;
 - 2.3.2 prioritise waste management in accordance with the Waste Hierarchy as set out in Law;
 - 2.3.3 be responsible for ensuring that any waste generated by the Supplier and sent for recycling, disposal or other recovery as a consequence of this Contract is taken by a licensed waste carrier to an authorised site for treatment or disposal and that the disposal or treatment of waste complies with the law;
 - 2.3.4 ensure that it and any third parties used to undertake recycling disposal or other recovery as a consequence of this Contract do so in a legally compliant way, and can demonstrate that reasonable checks are undertaken to ensure this on a regular basis and provide relevant data and evidence of recycling, recovery and disposal;
 - 2.3.5 in circumstances that a permit, licence or exemption to carry or send waste generated under this Contract is revoked, the Supplier shall cease to carry or send waste or allow waste to be carried by any Subcontractor until authorisation is obtained from the Environment Agency; minimise the release of greenhouse gases (including carbon dioxide emissions), air pollutants, volatile organic compounds and other substances damaging to health and the environment;
 - 2.3.6 reduce and minimise carbon emissions by taking into account factors including, but not limited to, the locations from which materials are sourced, the transport of materials, the locations from which the work force are recruited and emissions from offices and on-site equipment;
 - 2.3.7 inform the Environmental Agency within one Working Day in the event that a permit or exemption to carry or send waste generated under this Contract is revoked and in circumstances where a permit or exemption to carry or send waste generated under this Contract is revoked the Supplier shall cease to carry or send waste or allow waste to be carried by any Sub-contractor until authorisation is obtained from the Environmental Agency; and
 - 2.3.8 minimise the release of greenhouse gases (including carbon dioxide emissions), air pollutants, volatile organic compounds and other substances damaging to health and the environment
- 2.4 In performing its obligations under the Contract, the Supplier shall to the reasonable satisfaction of the Authority (where the anticipated Charges in any Contract Year are above £5 million per annum (excluding VAT)), where related to and proportionate to the

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contract in accordance with PPN 06/21), publish and maintain a credible Carbon Reduction Plan in accordance with PPN 06/21.

- 2.5 The Supplier shall not provide to the Authority Goods or Deliverables which comprise wholly or partly of Prohibited Items unless such item is a Permitted Item.
- 2.6 The Supplier shall not use anything which comprises wholly or partly of the Prohibited Items to provide the Services under this Contract unless:
 - 2.6.1 it is a Permitted Item; or
 - 2.6.2 the use is primarily related to the management of the Supplier's own facilities or internal operations as opposed to the provision of Services.
- 2.7 The Supplier must have a documented management system and controls in place to manage the environmental impacts of delivering the Services.
- 2.8 The Supplier shall ensure that any Services are designed, sourced and delivered in a manner which is environmentally and socially responsible.
- 2.9 In performing its obligations under the Contract, the Supplier shall to the reasonable satisfaction of the Authority:
 - 2.9.1 demonstrate that the whole life cycle impacts (including end of use) associated with the Services that extend beyond direct operations into that of the supply chain have been considered and reduced;
 - 2.9.2 minimise the consumption of resources and use them efficiently (including water and energy), working towards a circular economy including designing out waste and non-renewable resources, using re-use and closed loop systems;
 - 2.9.3 demonstrate protection of the environment including understanding and reduction of biosecurity risks (which include risks to plant and tree health from harmful pests and diseases), and reducing and eliminating hazardous/harmful substances to the environment and preventing pollution;
 - 2.9.4 enhance the natural environment and connecting communities with the environment; and
 - 2.9.5 achieve continuous improvement in environmental (and social) performance.
- 2.10 The Supplier shall inform the Authority within one Working Day in the event that a permit, licence or exemption to carry or send waste generated under this Contract is revoked.
- 2.11 The Supplier shall meet the applicable Government Buying Standards applicable to Services which can be found online at:
<https://www.gov.uk/government/collections/sustainable-procurement-the-government-buying-standards-gbs>.

3. Supplier Code of Conduct

- 3.1 In February 2019, HM Government published a Supplier Code of Conduct setting out the standards and behaviours expected of suppliers who work with government which can be found online at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1163536/Supplier_Code_of_Conduct_v3.pdf

- 3.2 The Authority expects to meet, and expects its suppliers and subcontractors to meet, the standards set out in that Code.

4. Reporting Requirements

- 4.1 The Supplier shall comply with reasonable requests by the Authority for information evidencing compliance:
- 4.1.1 with Paragraphs 1.1, 2.11, 2.1 and 3 of this Annex 1 within fourteen (14) days of such request; and
- 4.1.2 With Paragraphs 1.2 and 2.10 of this Annex 1 within thirty (30) days of such request.
- 4.2 The Supplier shall complete the Sustainability Report in relation to its provision of the Services under this Contract and provide the Sustainability Report to the Authority on the date and frequency outlined in Table C of this Annex 1.

Table A – Prohibited Items

The following consumer single use plastics are Prohibited Items:	Catering (a) Single use sachets e.g. coffee pods, sauce sachets, milk sachets (b) Take away cutlery (c) Take away boxes and plates (d) Cups made wholly or partially of plastic (e) Straws (f) Stirrers (g) Water bottles
	Facilities (a) Single use containers e.g. hand soap, cleaning products (b) Wipes containing plastic
	Office Supplies (a) Plastic envelopes (b) Plastic wrapping for brochures (c) Paper or card which is bleached with chlorine
	Packaging (a) Single use plastic packaging from deliveries where avoidable e.g. shrink wrapped packaging from office supplier or facilities products. (b) Single use carrier bags
Authority specific Prohibitions	N/A

Project specific Prohibitions	N/A
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Table B – Permitted Items

Authority Permitted Items	Polylopes used exclusively for the Authority's courier service
Project Specific Permitted Items	Pallet wrap required for Implementation Services and during Exit Management

Table C – Sustainability Reports

Sustainability Report Name	Content of Report	Frequency of Report
Sustainability General	- as proportionate and relevant to the Contract, the key sustainability impacts identified; the sustainability improvements planned or delivered; and the risks to the Services of climate change, including mitigation, adaptation and continuity plans employed by the Supplier in response to those risks.	On the anniversary of the Effective Date
Waste created	By type of material the weight of waste categories by each means of disposal in the Waste Hierarchy with separate figures for disposal by incineration and landfill.	Before contract award and on the anniversary of the Effective Date.
Waste permits	Copies of relevant permits and exemptions for waste, handling, storage and disposal.	Before the Effective Date, on the anniversary of the Effective Date and within ten (10) Working Days of there is any change or renewal to license or exemption to carry, store or dispose waste
Greenhouse Gas Emissions	Detail the Scope 1 and Scope 2 GHG emissions associated with the delivery of the contract. Scope 3 emissions to be reported as required (Optional) Emissions reporting should be in accordance with established best practice and internationally accepted standards. Greenhouse gas reporting from emissions sources (Scope 1, Scope 2 and Scope 3), and specific	On the anniversary of the Effective Date

Sustainability Report Name	Content of Report	Frequency of Report
	activities as requested by the Authority. This may include activities such as transportation, energy use and waste disposal.	
Water Use	Volume in metres cubed.	On the anniversary of the Effective Date

5. Sustainable Development Plan

- 5.1 The Supplier shall produce a Sustainable Development Policy Statement and Sustainable Development Plan in accordance with Paragraphs 4.2 and 4.3 of this Annex 4 of Schedule 33 (DWP Additional Requirements), within 6 (six) months of the Effective Date and annually thereafter. The Sustainable Development Policy Statement and Sustainable Development Plan shall be specific to the Contract and include all Sub-contractors involved in delivery of the Contract. The Supplier must obtain the required information from Sub-contractors and then collate and submit as stated above.
- 5.2 In delivering the Services, the Supplier shall prepare a Sustainable Development Policy Statement giving, for each organisation involved in delivery of the Contract an overarching commitment to:
- 5.2.1 dispose of Contract waste in a legal manner (i.e. waste is disposed of via a registered waste collector, the Waste Electrical and Electronic Equipment (WEEE) regulations are adhered to where relevant);
 - 5.2.2 reduce energy consumption;
 - 5.2.3 promote waste management including recycling;
 - 5.2.4 promote green or public transport;
 - 5.2.5 promote Corporate Social Responsibility ("CSR");
 - 5.2.6 the Sustainable Development Policy and that of continuous improvement which should be signed and dated by senior management.
- 5.3 In delivering the Services, the Supplier shall prepare and deliver a Sustainable Development Plan which should be used to turn the commitment shown in the Sustainable Development Policy into action and which as a minimum, detail how each organisation involved in delivery of the Contract will:
- 5.3.1 reduce its environmental footprint of this Contract through:
 - (a) minimising the use of energy, water and materials;
 - (b) minimising waste and increasing recycling levels;
 - (c) utilising recycled goods within operations;
 - (d) providing efficient low carbon delivery methods;
 - (e) promoting the use of green or public transport.

5.3.2 contribute to social sustainability of this Contract through:

- (a) purchasing goods and services that are produced and delivered in line with International Labour Organisation principles in respect to human rights and conditions of employment;
- (b) supporting a diverse supply chain by cultivating opportunities for Minority Owned Businesses;
- (c) providing adequate training opportunities for all employees.

5.3.3 drive economic sustainability of this Contract through:

- (a) supporting job creation both locally and nationally;
- (b) facilitating opportunities for Minority Owned Businesses and Small and Medium-sized Enterprises.

5.4 The Supplier shall contain in its Sustainable Development Plan:

5.4.1 a baseline assessment of current position in terms of waste minimisation, recycling and energy consumption (energy consumption only required if current energy usage is available to organisations);

5.4.2 annual estimates of the progress of Sustainable Development actions;

5.4.3 details of how Supplier Personnel awareness of sustainability will be increased in line with the Sustainable Development Plan.

Schedule 5

Security Management

Schedule 5: Security Management

General

Terms used in this Schedule 5 which are not defined below shall have the meanings given to them in Schedule 1 (Definitions) of the Contract.

1. Definitions

1.1 In this Schedule 5, the following definitions shall apply:

“Authority Personnel”	shall mean all persons employed by the Authority including directors, officers, employees together with the Authority’s servants, agents, consultants, contractors and suppliers but excluding the Supplier and any Sub-contractor (as applicable).
“Availability Test”	shall mean the activities performed by the Supplier to confirm the availability of any or all components of any relevant ICT system as specified by the Authority.
“Breach of Security”	shall mean an event that results, or could result, in: <ul style="list-style-type: none">(a) any unauthorised access to or use of the Authority Data, the Services and/or the Information Management System; and/or(b) the loss, corruption and/or unauthorised disclosure of any information or data (including the Confidential Information and the Authority Data), including any copies of such information or data, used by the Authority and/or the Supplier in connection with this Contract.
“Certification Requirements”	shall mean the certification requirements set out in paragraphs 3.1 and 4.1.
“CHECK”	shall mean the scheme for authorised penetration tests which scheme is managed by the NCSC.
“Cloud”	shall mean an off-premise network of remote ICT servers on the Internet to store, process, manage and transmit data.
“Cyber Essentials Plus”	shall mean the Government-backed, industry-supported scheme managed by the NCSC with higher level of security requirements to help organisations to protect themselves against online threats or the relevant

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successor or replacement scheme which is published and/or formally recommended by the NCSC.

“Cyber Security Information Sharing Partnership” or “CiSP”

shall mean the cyber security information sharing partnership established by the NCSC or the relevant successor or replacement scheme which is published and/or formally recommended by the NCSC.

“Good Security Practice”

shall mean:

- (a) the technical and organisational measures and practices that are required by, or recommended in, nationally or internationally accepted management standards and codes of practice relating to Information Security (such as published by the International Organization for Standardization or the National Institute of Standards and Technology);
- (b) security standards and guidelines relating to Information Security (including generally accepted principles regarding the segregation of the duties of governance, implementation and control) provided to the general public or Information Security practitioners and stakeholders by generally recognised authorities and organisations; and
- (c) the Government’s security policies, frameworks, standards and guidelines relating to Information Security.

“Information Management System”

shall mean:

- (a) those parts of the Supplier System, and those of the Sites, that the Supplier or its Sub-contractors will use to provide the parts of the Services that require processing Authority Data; and
- (b) the associated information assets and systems (including organisational structure, controls, policies, practices, procedures, processes and resources).

“Information Security”

shall mean:

- (a) the protection and preservation of:
 - (i) the confidentiality, integrity and availability of any Authority Assets, the Authority System (or any part thereof) and the Supplier System (or any part thereof);

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- (ii) related properties of information including, but not limited to, authenticity, accountability, and non-repudiation; and
- (iii) compliance with all Law applicable to the processing, transmission, storage and disposal of Authority Assets.

“Information Security Manager”

shall mean the person appointed by the Supplier with the appropriate experience, authority and expertise to ensure that the Supplier complies with the Authority’s Security Requirements.

“Information Security Management System (“ISMS”)”

shall mean the set of policies, processes and systems designed, implemented and maintained by the Supplier to manage Information Security Risk as certified by ISO/IEC 27001.

“Information Security Questionnaire”

shall mean the Authority’s set of questions used to audit and on an ongoing basis assure the Supplier’s compliance with the Authority’s Security Requirements.

“Information Security Risk”

shall mean any risk that might adversely affect Information Security including, but not limited to, a Breach of Security.

“ISO/IEC 27001, ISO/IEC 27002 and ISO 22301

shall mean:

- (a) ISO/IEC 27001;
- (b) ISO/IEC 27002/IEC; and
- (c) ISO 22301,

in each case as most recently published by the International Organization for Standardization or its successor entity (the “ISO”) or the relevant successor or replacement information security standard which is formally recommended by the ISO.

“NCSC”

shall mean the National Cyber Security Centre or its successor entity (where applicable).

“Penetration Test”

shall mean a simulated attack on any Authority Assets, the Authority System (or any part thereof) or the Supplier System (or any part thereof).

“PCI DSS”

shall mean the Payment Card Industry Data Security Standard as most recently published by the PCI Security Standards Council, LLC or its successor entity (the “PCI”).

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|-----------------------------|--|
| “Risk Profile” | shall mean a description of any set of risks. The set of risks can contain those that relate to a whole organisation, part of an organisation or as otherwise applicable. |
| “Security Policies” | means the policies set out in Annex A. |
| “Security Test” | shall include, but not be limited to, Penetration Test, Vulnerability Scan, Availability Test and any other security related test and audit. |
| “Security Standards” | means the standards set out in Annex B. |
| “Tigerscheme” | shall mean a scheme for authorised penetration tests which scheme is managed by USW Commercial Services Ltd. |
| “Vulnerability Scan” | shall mean an ongoing activity to identify any potential vulnerability in any Authority Assets, the Authority System (or any part thereof) or the Supplier System (or any part thereof). |
-
- 1.2 Reference to any notice to be provided by the Supplier to the Authority shall be construed as a notice to be provided by the Supplier to the Authority’s Representative.
- 1.3 The content of this Schedule 5, together with any such additional security requirements set out in Schedule 2 (Services Description) shall constitute the **“Security Requirements”**.
- 2. Principles Of Security**
- 2.1 The Authority’s Security Requirements include, but are not limited to, requirements regarding the confidentiality, integrity and availability of Authority Assets, the Authority’s Systems Environment and the Contractor’s Systems Environment. The Supplier acknowledges that the Authority places great emphasis on the confidentiality, integrity and availability of the Authority Data and, consequently on the security of:
- 2.1.1 the Sites;
 - 2.1.2 the IT Environment;
 - 2.1.3 the Information Management System; and
 - 2.1.4 the Services.
- 2.2 The Supplier shall:
- 2.2.1 comply with the Security Requirements;
 - 2.2.2 ensure that each Sub-contractor that processes Authority Data complies with the applicable Security Requirements as notified to the Supplier by the Authority from time to time; and
 - 2.2.3 provide a level of security which is in accordance with the Security Policies and

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Security Standards, Good Security Practice and Law.

- 2.3 The Supplier shall provide the Authority with access to Supplier Personnel responsible for information assurance to facilitate the Authority's assessment of the Supplier's compliance with its obligations set out in this Schedule at reasonable times on no less than ten (10) Working Days' written notice.
- 2.4 The Supplier shall:
 - 2.4.1 monitor the delivery of assurance activities;
 - 2.4.2 monitor security risk impacting upon the operation of the Service;
 - 2.4.3 report Breaches of Security in accordance with the Security Incident Management standard as set out in Annex B;
 - 2.4.4 agree with the Authority the frequency and nature of the security reports to be prepared and submitted by the Supplier to the Authority within twenty (20) Working Days of the Effective Date; and

3. ISO/IEC 27001 Compliance, Certification And Audit

- 3.1 The Supplier shall, and shall procure that any Sub-contractor (as applicable) shall, obtain and maintain certification to ISO/IEC 27001 (the "ISO Certificate") in relation to the Services during the Term. The ISO Certificate shall be provided by the Supplier to the Authority on the dates as agreed by the Parties.
- 3.2 The Supplier shall appoint:
 - 3.2.1 an Information Security Manager; and
 - 3.2.2 a deputy Information Security Manager who shall have the appropriate experience, authority and expertise to deputise for the Information Security Manager when s/he is on leave or unavailable for any period of time.
- 3.3 The Supplier shall notify the Authority of the identity of the Information Security Manager on the Operational Service Commencement Date.
- 3.4 The Supplier shall ensure that it operates and maintains the ISMS during the Term and that the ISMS meets the Security Policies and Security Standards, Good Security Practice and Law and includes:
 - 3.4.1 a scope statement (which covers all of the Services provided under this Contract);
 - 3.4.2 a risk assessment (which shall include any risks specific to the Services);
 - 3.4.3 a statement of applicability;
 - 3.4.4 a risk treatment plan; and
 - 3.4.5 an incident management plan,in each case as specified by ISO/IEC 27001.
- 3.5 The Supplier shall provide copies of the ISMS to the Authority upon request within ten (10) Working Days from such request.

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- 3.6 The Supplier shall notify the Authority of any failure to obtain an ISO Certificate or a revocation of an ISO Certificate within two (2) Working Days of confirmation of such failure or revocation. The Supplier shall, at its own expense, undertake those actions required in order to obtain an ISO Certificate following such failure or revocation and provide such ISO Certificate within one (1) calendar month of the initial notification of failure or revocation to the Authority or on a date agreed by the Parties. For the avoidance of doubt, any failure to obtain and/or maintain an ISO Certificate during the Term after the first date on which the Supplier was required to provide the ISO Certificate in accordance with paragraph 3.1 (regardless of whether such failure is capable of remedy) shall constitute a material Default entitling the Authority to terminate the Contract in accordance with Clause 31.1.
- 3.7 The Supplier shall carry out regular Security Tests in compliance with ISO/IEC 27001 and shall within ten (10) Working Days after completion of the relevant audit provide any associated security audit reports to the Authority.
- 3.8 Notwithstanding the provisions of paragraph 3.1 to paragraph 3.5, the Authority may, in its absolute discretion, notify the Supplier that the Supplier is not in compliance with the Authority's Security Requirements and provide details of such non-compliance. The Supplier shall, at its own expense, undertake those actions required in order to comply with the Authority's Security Requirements within one calendar month following such notification or on a date as agreed by the Parties. For the avoidance of doubt, any failure to comply with the Authority's Security Requirements within the required timeframe (regardless of whether such failure is capable of remedy) shall constitute a material Default entitling the Authority to terminate the Contract in accordance with Clause 31.1.

4. Cyber Essentials Plus Scheme

- 4.1 The Supplier shall, and shall procure that any Sub-contractor (as applicable) shall, obtain and maintain certification to Cyber Essentials Plus (the "Cyber Essentials Plus Certificate") in relation to the Services during the Term. The Cyber Essentials Plus Certificate shall be provided by the Supplier to the Authority annually on the dates as agreed by the Parties.
- 4.2 The Supplier shall notify the Authority of any failure to obtain, or the revocation of, a Cyber Essentials Plus Certificate within two (2) Working Days of confirmation of such failure or revocation. The Supplier shall, at its own expense, undertake those actions required in order to obtain a Cyber Essentials Plus Certificate following such failure or revocation. For the avoidance of doubt, any failure to obtain and/or maintain a Cyber Essentials Plus Certificate during the Term after the first date on which the Supplier was required to provide a Cyber Essentials Plus Certificate in accordance with paragraph 4.1 (regardless of whether such failure is capable of remedy) shall constitute a material Default entitling the Authority to terminate the Contract in accordance with Clause 31.1.
- 4.3 In the event that the Supplier ceases to be compliant with the requirements of this Schedule 5, the Authority may at its absolute discretion direct the Supplier to:
- 4.3.1 cease using the Authority Data; and/or
 - 4.3.2 promptly return, destroy, and/or erase the Authority Data in accordance with the Security Requirements; and/or
 - 4.3.3 collaborate and/or follow the reasonable instructions of the Authority in respect of achieving compliance with the Security Requirements,

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(together the “**Non-Compliance Instructions**”) and the Supplier shall and/or shall procure that the relevant Sub-contractor shall promptly comply with such Non-Compliance Instructions.

5. Risk Management

- 5.1 The Supplier shall create, operate, and maintain policies and processes for security risk management (the “**Risk Management Policy**”) during the Term. Such Risk Management Policy shall include standards and processes for the assessment of any potential security risks in relation to the Services and processes to ensure that the Authority’s Security Requirements are met (the “**Risk Assessment**”). The Supplier shall provide the Risk Management Policy to the Authority upon request within ten (10) Working Days of such request, in addition to providing the Risk Management Policy at the relevant governance boards. The Authority may, at its absolute discretion, require the Supplier to make changes to the Risk Management Policy to comply with the Authority’s Security Requirements. The Supplier shall, at its own expense, promptly undertake those actions required to implement the changes to the Risk Management Policy required by the Authority and to effect such changes in its delivery of the Services (and in any event within one (1) calendar month of such request or on such other date as agreed by the Parties).
- 5.2 The Supplier shall carry out a Risk Assessment (i) at least annually, (ii) in the event of a material change in the Supplier System or in the threat landscape or (iii) at the request of the Authority. The Supplier shall provide the report of the Risk Assessment to the Authority, in the case of at least annual Risk Assessments, within five (5) Working Days of completion of the Risk Assessment or, in the case of all other Risk Assessments, within one (1) calendar month after completion of the Risk Assessment or on a date as agreed by the Parties. The Supplier shall notify the Authority within five (5) Working Days if the Risk Profile in relation to the Services has changed materially, for example, but not limited to, from one risk rating to another risk rating.
- 5.3 If the Authority decides, at its absolute discretion, that any Risk Assessment does not meet the Authority’s Security Requirements, the Supplier shall repeat the Risk Assessment within one (1) calendar month of such request or as agreed by the Parties.
- 5.4 The Supplier shall, and shall procure that any Sub-contractor (as applicable) shall, co-operate with the Authority in relation to the Authority’s own risk management processes regarding the Services.
- 5.5 For the avoidance of doubt, the Supplier shall pay all costs in relation to undertaking any action required to meet the requirements stipulated in this paragraph 5. Any failure by the Supplier to comply with any requirement of this paragraph 5 (regardless of whether such failure is capable of remedy), shall constitute a material Default entitling the Authority to terminate the Contract in accordance with Clause 31.1.
- 5.6 The Supplier shall promptly notify the Authority (and in any event, within two (2) Working Days or such other timescale as stipulated in the Security Standards and Security Policies) after becoming aware of:
- 5.6.1 a significant change to the components or architecture of the Information Management System and/or the ISMS;
 - 5.6.2 a new risk to the components or architecture of the Information Management System and/or the ISMS;

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- 5.6.3 a vulnerability to the components or architecture of the Service;
 - 5.6.4 a change in the threat profile;
 - 5.6.5 a significant change to any risk component;
 - 5.6.6 a significant change in the quantity of Personal Data held within the Service;
 - 5.6.7 a proposal to change any of the Sites from which any part of the Services are provided; and/or
 - 5.6.8 an ISO27001 audit report produced in connection with the Certification Requirements indicating significant concerns.
- 5.7 Where the Supplier is required to implement a change, including any change to the ISMS, the Supplier shall effect such change at its own cost and expense.

6. Security Audit And Assurance

- 6.1 The Supplier must ensure that its Detailed Implementation Plan aligns with its Information Security Questionnaire response provided as part of the Supplier's tender and that the Detailed Implementation Plan sets out in sufficient detail how it will ensure compliance with the requirements of this Schedule, including any requirements imposed on Sub-contractors, from the first Operational Services Commencement Date.
- 6.2 The Supplier shall, and shall procure that any Sub-Contractor (as applicable) shall, complete the information security questionnaire in the format stipulated by the Authority (the "Information Security Questionnaire") at least annually. The Supplier shall provide the completed Information Security Questionnaire to the Authority within one calendar month from the date of request.
- 6.3 The Authority may, at its sole discretion, prevent the Supplier from using the Information Management System to process Authority Data if:
- 6.3.1 the Supplier has not completed the Information Security Questionnaire prior to the Effective Date and/or in accordance with Paragraph 6.2 above; or
 - 6.3.2 the Supplier has completed the Information Security Questionnaire but has failed to evidence (in the Authority's opinion) that it does, and/or will in its performance of the Services, meet the Security Requirements,
- until such time that the Supplier has committed in writing to any rectification processes the Authority deems necessary (at the Authority's absolute discretion), and, if required by the Authority, implemented such rectification processes. The exercise of the Authority of its rights under this Paragraph 6.3 shall not constitute an Authority Cause and shall not relieve the Supplier of its liability for any Delay Payments which accrue.
- 6.4 The Supplier shall conduct Security Tests to assess the Information Security of the Supplier System and, if requested, the Authority System. In relation to such Security Tests, the Supplier shall appoint a third party which i) in respect of any Penetration Test, is duly accredited by CHECK, CREST (International), or Tigerscheme and, ii) in respect of any Security Test to which PCI DSS apply, is an approved scanning vendor duly accredited by the PCI. Such Security Tests shall be carried out:

Schedule 5 (Security Management)

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- 6.4.1 at least annually;
- 6.4.2 in the event of a material change in the Supplier System or in the Authority's System; and
- 6.4.3 at the request of the Authority which request may include, but is not limited to, a repeat of a previous Security Test, and

the content, and format of any report of such Security Tests shall be approved in advance of the Security Test by the Authority.

- 6.5 The Supplier shall promptly provide a report of such Security Tests within one (1) calendar month (or within such other timeframe as directed by the Authority) following the completion of such Security Test. The Supplier shall, at its own expense, undertake those actions required to rectify any risks identified by any Security Test in the manner and within the timeframe required by the Authority in its absolute discretion.
- 6.6 The Authority shall be entitled to send a representative to witness the conduct of any Security Test. The Supplier shall provide to the Authority notice of any Security Test at least one (1) month prior to the relevant Security Test.
- 6.7 The Supplier shall ensure that any testing which could adversely affect the Supplier System shall be designed and implemented by the Supplier so as to minimise the impact on the delivery of the Services and the date, timing, content and conduct of such tests shall be agreed in advance with the Authority.
- 6.8 Where the Supplier provides code development services to the Authority, the Supplier shall comply with the Authority's Security Requirements in respect of code development within the Supplier System and the Authority System.
- 6.9 Where the Supplier provides software development services, the Supplier shall comply with the code development practices specified in the Specification or in the Authority's Security Requirements.
- 6.10 The Authority, or an agent appointed by it, may undertake Security Tests in respect of the Supplier System, and from time to time may require the Supplier to undertake further Security Tests, after providing advance notice to the Supplier. If any Security Test identifies any non-compliance with the Authority's Security Requirements, the Supplier shall, at its own expense and in accordance with the Security Standards and the Policies, undertake those actions required in order to rectify such identified non-compliance in the manner and timeframe as stipulated by the Authority at its absolute discretion. The Supplier shall provide all such co-operation and assistance in relation to any Security Test conducted by the Authority as the Authority may reasonably require.
- 6.11 The Supplier shall notify the Authority immediately if it fails to, or believes that it will not, mitigate an identified vulnerability within the timescales set out in the Security Policies and Security Standards, or as otherwise agreed with, or directed by, the Authority.
- 6.12 The Authority shall schedule regular security governance reviews, which shall take place at the Quarterly Strategic Review Board which is detailed in Annex 2 of Schedule 21, which the Supplier shall, and shall procure that any Sub-contractor (as applicable) shall, attend.

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7. PCI DSS Compliance And Certification

- 7.1 Where the Supplier obtains, stores, processes or transmits payment card data, the Supplier shall comply with the PCI DSS.
- 7.2 The Supplier shall obtain and maintain up-to-date attestation of compliance certificates ("AoC") provided by a qualified security assessor accredited by the PCI and up-to-date reports on compliance ("RoC") provided by a qualified security assessor or an internal security assessor, in each case accredited by the PCI (each with the content and format as stipulated by the PCI and such reports the "PCI Reports"), during the Term. The Supplier shall provide the respective PCI Reports to the Authority upon request within ten (10) Working Days of such request.
- 7.3 The Supplier shall notify the Authority of any failure to obtain a PCI Report or a revocation of a PCI Report within two (2) Working Days of confirmation of such failure or revocation. The Supplier shall, at its own expense, undertake those actions required in order to obtain a PCI Report following such failure or revocation within one calendar month of such failure or revocation.

8. Security Policies And Security Standards

- 8.1 The Supplier shall, and shall procure that any Sub-contractor (as applicable) shall comply with the Security Policies and Security Standards and shall provide evidence of such compliance to the Authority within one (1) month of request.
- 8.2 Notwithstanding the foregoing, the Authority's Security Requirements applicable to the Services may be subject to change following certain events including, but not limited to, any relevant change in the delivery of the Services. Any changes to the Baseline Security Requirements shall be addressed in accordance with Clauses 18.10 to 18.12 inclusive..
- 8.3 The Supplier shall, and shall procure that any Sub-contractor (as applicable) shall, maintain appropriate records and is otherwise able to demonstrate compliance with the Security Policies and Security Standards.

9. Cyber Security Information Sharing Partnership

- 9.1 The Supplier may elect a nominated representative of the Supplier to join the Cyber Security Information Sharing Partnership on behalf of the Supplier during the Term, in which case the Supplier's nominated representative shall participate in the Cyber Security Information Sharing Partnership for the exchange of cyber threat information.
- 9.2 If the Supplier elects a nominated representative to join the Cyber Security Information Sharing Partnership in accordance with Paragraph 9.1 above, it shall review the NCSC weekly threat reports on a weekly basis and implement recommendations in line with the Supplier's Risk Management Policy.

Annex A – Authority Security Policies

The Security Policies are published on:

<https://www.gov.uk/government/publications/dwp-procurement-security-policies-and-standards>
unless specified otherwise:

Acceptable Use Policy

Information Security Policy

Physical Security Policy

Information Management Policy

Email Policy

Technical Vulnerability Management Policy

Remote Working Security Policy

Social Media Policy

Forensic Readiness Policy

SMS Text Policy

Privileged Users Security Policy

User Access Control Policy

Security Classification Policy

Cryptographic Key Management Policy

Personnel Security Policy

HMG Personnel Security Controls – October 2022

(published on <https://www.gov.uk/government/publications/hmg-personnel-security-controls>)

NCSC Secure Sanitisation of Storage Media (published on
<https://www.ncsc.gov.uk/guidance/secure-sanitisation-storage-media>)

Annex B – Security Standards

The Security Standards are published on:

<https://www.gov.uk/government/publications/dwp-procurement-security-policies-and-standards>:

SS-001 - Part 1 - Access & Authentication Controls
SS-001 - Part 2 - Privileged User Access Controls
SS-002 – Public Key Infrastructure & Key Management
SS-003 - Software Development
SS-005 - Database Management System
SS-006 - Security Boundaries
SS-007 - Use of Cryptography
SS-008 - Server Operating System
SS-009 - Hypervisor
SS-010 - Desktop Operating System
SS-011 - Containerisation
SS-012 - Protective Monitoring Standard for External Use
SS-013 - Firewall Security
SS-014 - Security Incident Management
SS-015 - Malware Protection
SS-016 - Remote Access
SS-017 - Mobile Device
SS-018 - Network Security Design
SS-019 - Wireless Network
SS-022 - Voice & Video Communications
SS-023 - Cloud Computing
SS-025 - Virtualisation
SS-027 - Application Security Testing
SS-028 - Microservices Architecture
SS-029 - Securely Serving Web Content
SS-030 - Oracle Database Security
SS-031 - Domain Management
SS-033 – Security Patching

Schedule 6

Insurance Requirements

Schedule 6: Insurance Requirements

1. Obligation to Maintain Insurances

- 1.1 Without prejudice to its obligations to the Authority under this Contract, including its indemnity and liability obligations, the Supplier shall for the periods specified in this Schedule take out and maintain, or procure the taking out and maintenance of the insurances as set out in Annex 1 and any other insurances as may be required by applicable Law (together the “**Insurances**”). The Supplier shall ensure that each of the Insurances is effective no later than the date on which the relevant risk commences.
- 1.2 The Insurances shall be maintained in accordance with Good Industry Practice and (so far as is reasonably practicable) on terms no less favourable than those generally available to a prudent contractor in respect of risks insured in the international insurance market from time to time.
- 1.3 The Insurances shall be taken out and maintained with insurers who are:
 - 1.3.1 of good financial standing;
 - 1.3.2 appropriately regulated;
 - 1.3.3 regulated by the applicable regulatory body and is in good standing with that regulator; and
 - 1.3.4 except in the case of any Insurances provided by an Affiliate of the Supplier, of good repute in the international insurance market.
- 1.4 The Supplier shall ensure that the public and products liability policy shall contain an indemnity to principals clause under which the Authority shall be indemnified in respect of claims made against the Authority in respect of death or bodily injury or third party property damage arising out of or in connection with the Contract and for which the Supplier is legally liable.

2. General Obligations

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

3. Failure to Insure

- 3.1 The Supplier shall not take any action or fail to take any action or (insofar as is

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reasonably within its power) permit anything to occur in relation to it which would entitle any insurer to refuse to pay any claim under any of the Insurances.

- 3.2 Where the Supplier has failed to purchase any of the Insurances or maintain any of the Insurances in full force and effect, the Authority may elect (but shall not be obliged) following written notice to the Supplier to purchase the relevant Insurances, and the Authority shall be entitled to recover the reasonable premium and other reasonable costs incurred in connection therewith as a debt due from the Supplier.

4. Evidence of Insurances

- 4.1 The Supplier shall upon the Effective Date and within 15 Working Days after the renewal or replacement of each of the Insurances, provide evidence, in a form satisfactory to the Authority, that the Insurances are in force and effect and meet in full the requirements of this Schedule. Receipt of such evidence by the Authority shall not in itself constitute acceptance by the Authority or relieve the Supplier of any of its liabilities and obligations under this Contract.

5. Insurance for the Required Amount

- 5.1 The Supplier shall ensure that any Insurances which are stated to have a minimum limit "in the aggregate" are maintained for the minimum limit of indemnity for the periods specified in this Schedule.
- 5.2 Where the Supplier intends to claim under any of the Insurances for an amount or amounts that are significant in the opinion of the Authority for any matters that are not related to the Services and/or the Contract, where such claim is likely to result in the level of cover available under any of the Insurances being reduced below the minimum limit of indemnity specified in this Schedule, the Supplier shall promptly notify the Authority and provide details of its proposed solution for maintaining the minimum limit of indemnity specified in this Schedule.

6. Cancellation

- 6.1 Subject to Paragraph 7.2, the Supplier shall notify the Authority in writing at least 5 Working Days prior to the cancellation, suspension, termination or non-renewal of any of the Insurances.
- 6.2 Without prejudice to the Supplier's obligations under Paragraph 4, Paragraph 7.1 shall not apply where the termination of any Insurances occurs purely as a result of a change of insurer in respect of any of the Insurances required to be taken out and maintained in accordance with this Schedule.

7. Insurance Claims, Premiums and Deductibles

- 7.1 The Supplier shall promptly notify to insurers any matter arising from, or in relation to, the Services and/or this Contract for which it may be entitled to claim under any of the Insurances. In the event that the Authority receives a claim relating to or arising out of the Services and/or this Contract, the Supplier shall co-operate with the Authority and assist it in dealing with such claims at its own expense including without limitation providing information and documentation in a timely manner.
- 7.2 The Supplier shall maintain a register of all claims under the Insurances in connection with this Contract and shall allow the Authority to review such register at any time.

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- 7.3 Where any Insurance requires payment of a premium, the Supplier shall be liable for and shall promptly pay such premium.
- 7.4 Where any Insurance is subject to an excess or deductible below which the indemnity from insurers is excluded, the Supplier shall be liable for such excess or deductible. The Supplier shall not be entitled to recover from the Authority any sum paid by way of excess or deductible under the Insurances whether under the terms of this Contract or otherwise.

Annex 1: Required Insurances

Part A: Insurance Claim Notification

Except where the Authority is the claimant party, the Supplier shall give the Authority notice within 20 Working Days after any insurance claim in excess of £250,000 relating to or arising out of the provision of the Services or this Contract on any of the Insurances or which, but for the application of the applicable policy excess, would be made on any of the Insurances and (if required by the Authority) full details of the incident giving rise to the claim.

Part B: Third Party Public and Products Liability Insurance

1. Insured

- 1.1 The Supplier

2. Interest

- 2.1 To indemnify the Insured in respect of all sums which the Insured shall become legally liable to pay as damages, including claimant's costs and expenses, in respect of accidental:

2.1.1 death or bodily injury to or sickness, illness or disease contracted by any person; and

2.1.2 loss of or damage to physical property;

happening during the period of insurance (as specified in Paragraph 5) and arising out of or in connection with the provision of the Services and in connection with this Contract.

3. Limit of indemnity

- 3.1 Not less than £5,000,000 in respect of any one occurrence, the number of occurrences being unlimited in any annual policy period, but £5,000,000 in the aggregate per annum in respect of products and pollution liability.

4. Territorial limits

United Kingdom

5. Period of insurance

- 5.1 From the date of this Contract for the Term and renewable on an annual basis unless agreed otherwise by the Authority in writing.

6. Cover features and extensions

- 6.1 Indemnity to principals clause under which the Authority shall be indemnified in respect of claims made against the Authority in respect of death or bodily injury or third party property damage arising out of or in connection with the Contract and for which the Supplier is legally liable.

7. Principal exclusions

- 7.1 War and related perils.
- 7.2 Nuclear and radioactive risks.
- 7.3 Liability for death, illness, disease or bodily injury sustained by employees of the Insured arising out of the course of their employment.
- 7.4 Liability arising out of the use of mechanically propelled vehicles whilst required to be compulsorily insured by applicable Law in respect of such vehicles.
- 7.5 Liability in respect of predetermined penalties or liquidated damages imposed under any

Schedule 6 (Insurance Requirements)

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contract entered into by the Insured.

- 7.6 Liability arising out of technical or professional advice other than in respect of death or bodily injury to persons or damage to third party property.
- 7.7 Liability arising from the ownership, possession or use of any aircraft or marine vessel.
- 7.8 Liability arising from seepage and pollution unless caused by a sudden, unintended and unexpected occurrence.
- 8. Maximum deductible threshold**
 - 8.1 Not to exceed £500.00 for each and every third party property damage claim (personal injury claims to be paid in full).

Part C: United Kingdom Compulsory Insurances

The Supplier shall meet its insurance obligations under applicable Law in full, including, UK employers' liability insurance and motor third party liability insurance.

Part D: Additional Insurances

Professional Indemnity Insurance	Where the Authority requirement includes a potential breach of professional duty by the Supplier in connection with professional advice and /or professional services.
Environmental Liability Insurance or Contractors Pollution Liability Insurance	Where the Authority requirement includes exposure to significant pollution / contamination risks.

Schedule 7

Authority Responsibilities

Schedule 7: Authority Responsibilities

1. Introduction

- 1.1 The responsibilities of the Authority set out in this Schedule shall constitute the Authority Responsibilities under this Contract. Any obligations of the Authority in Schedule 2 (*Services Description*) and Schedule 8 (*Supplier Solution*) shall not be Authority Responsibilities and the Authority shall have no obligation to perform any such obligations unless they are specifically stated to be “Authority Responsibilities” and cross referenced in the table in Paragraph 3.
- 1.2 The responsibilities specified within this Schedule shall be provided to the Supplier free of charge, unless otherwise agreed between the Parties.

2. General Obligations

- 2.1 The Authority shall:
 - 2.1.1 perform those obligations of the Authority which are set out in the Clauses of this Contract and the Paragraphs of the Schedules (except Schedule 2 (*Services Description*) and Schedule 8 (*Supplier Solution*));
 - 2.1.2 use its reasonable endeavours to provide the Supplier with access to appropriate members of the Authority’s staff, as such access is reasonably requested by the Supplier in order for the Supplier to discharge its obligations throughout the Term and the Termination Assistance Period;
 - 2.1.3 provide sufficient and suitably qualified staff to fulfil the Authority’s roles and duties under this Contract as defined in the Implementation Plan;
 - 2.1.4 use its reasonable endeavours to provide such documentation, data and/or other information that the Supplier reasonably requests that is necessary to perform its obligations under the terms of this Contract provided that such documentation, data and/or information is available to the Authority and is authorised for release by the Authority; and
 - 2.1.5 procure for the Supplier such agreed access and use of the Authority Premises (as a licensee only) and facilities (including relevant IT systems) as is reasonably required for the Supplier to comply with its obligations under this Contract, such access to be provided during the Authority’s normal working hours on each Working Day or as otherwise agreed by the Authority (such agreement not to be unreasonably withheld or delayed).

3. Specific Obligations

- 3.1 The Authority shall, in relation to this Contract perform the Authority’s responsibilities identified as such in this Contract the details of which are set out below:

Schedule 7 (Authority Responsibilities)

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Document	Location (Paragraph)	Specifics (if required)
IMDM Contract - Core Terms	Clause 2.1.1	
IMDM Contract - Core Terms	Clause 5.14	
IMDM Contract - Core Terms	Clause 8.3	
IMDM Contract - Core Terms	Clause 10.1	
IMDM Contract - Core Terms	Clause 11.4	
IMDM Contract - Core Terms	Clause 15.10	<i>"...prior written consent of the Authority, such consent not to be unreasonably withheld or delayed."</i>
IMDM Contract - Core Terms	Clause 15.13	<i>"the Authority's prior written consent, which shall not be unreasonably withheld or delayed."</i>
IMDM Contract - Core Terms	Clause 18.10	
IMDM Contract - Core Terms	Clause 25.8	
IMDM Contract - Core Terms	Clause 28.2	
IMDM Contract - Core Terms	Clause 28.3.3	
IMDM Contract - Core Terms	Clause 28.5	
IMDM Contract - Core Terms	Clause 29.3	
IMDM Contract - Core Terms	Clause 30.2	
IMDM Contract - Core Terms	Clause 32.4	
IMDM Contract - Core Terms	Clause 32.5	
IMDM Contract - Core Terms	Clause 32.6	
IMDM Contract - Core Terms	Clause 32.12	
IMDM Contract - Schedule 3 (Performance Levels)	Part A, paragraph 5.2	
IMDM Contract - Schedule 3 (Performance Levels)	Part B Definitions, para 6.2	
IMDM Contract - Schedule 5 (Security Management)	Paragraph 6.6	
IMDM Contract - Schedule 5 (Security Management)	Paragraph 6.12	
IMDM Contract - Schedule 7 (Authority Responsibilities)	Paragraph 2.1.1	
IMDM Contract - Schedule 7 (Authority Responsibilities)	Paragraph 2.1.2	
IMDM Contract - Schedule 7 (Authority Responsibilities)	Paragraph 2.1.3	

Schedule 7 (Authority Responsibilities)

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Document	Location (Paragraph)	Specifics (if required)
IMDM Contract - Schedule 7 (Authority Responsibilities)	Paragraph 2.1.4	
IMDM Contract - Schedule 7 (Authority Responsibilities)	Paragraph 2.1.5	
IMDM Contract - Schedule 9 (Commercially Sensitive Information)	Paragraph 3	
IMDM Contract - Schedule 13 (Implementation Plan)	Paragraph 3.4	
IMDM Contract - Schedule 13 (Implementation Plan)	Paragraph 3.5	
IMDM Contract - Schedule 14 (Testing Procedures)	Paragraph 5.3	
IMDM Contract - Schedule 14 (Testing Procedures)	Paragraph 9.3	
IMDM Contract - Schedule 14 (Testing Procedures)	Paragraph 11.4	
IMDM Contract - Schedule 14 (Testing Procedures)	Paragraph 11.6	
IMDM Contract - Schedule 14 (Testing Procedures)	Paragraph 12.1	
IMDM Contract - Schedule 14 (Testing Procedures)	Paragraph 13.1	
IMDM Contract - Schedule 14 (Testing Procedures)	Paragraph 13.3	
IMDM Contract - Schedule 14 (Testing Procedures)	Paragraph 13.4	
IMDM Contract - Schedule 14 (Testing Procedures)	Paragraph 13.5	
IMDM Contract - Schedule 15 (Charges and Invoicing)	Part C, paragraph 6.2	
IMDM Contract - Schedule 15 (Charges and Invoicing)	Part E, paragraph 1.1	
IMDM Contract - Schedule 15 (Charges and Invoicing)	Part E, paragraph 2.1	
IMDM Contract - Schedule 16 (Payments on Termination)	Paragraph 5.2	<i>"...then the Authority shall pay the Supplier the actual direct costs incurred by the Supplier or its Sub-contractor..."</i>
IMDM Contract - Schedule 16 (Payments on Termination)	Paragraph 11	

Schedule 7 (Authority Responsibilities)

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Document	Location (Paragraph)	Specifics (if required)
IMDM Contract - Schedule 17 (Benchmarking)	Paragraph 2.3	
IMDM Contract - Schedule 17 (Benchmarking)	Paragraph 3.1	
IMDM Contract - Schedule 17 (Benchmarking)	Paragraph 3.2	
IMDM Contract - Schedule 17 (Benchmarking)	Paragraph 3.4	
IMDM Contract - Schedule 19 (Financial Reports and Audit Rights)	Part A, paragraph 3.2	
IMDM Contract - Schedule 19 (Financial Reports and Audit Rights)	Part A, paragraph 3.3	
IMDM Contract - Schedule 19 (Financial Reports and Audit Rights)	Part B, paragraph 2.1.3	
IMDM Contract - Schedule 19 (Financial Reports and Audit Rights)	Part C, paragraph 1.1	
IMDM Contract - Schedule 19 (Financial Reports and Audit Rights)	Part C, paragraph 2.1	
IMDM Contract - Schedule 21 (Governance)	Paragraph 2	
IMDM Contract - Schedule 21 (Governance)	Paragraph 3.1	
IMDM Contract - Schedule 21 (Governance)	Paragraph 3.4	
IMDM Contract - Schedule 22 (Change Control Procedure)	Paragraph 2.6	
IMDM Contract - Schedule 22 (Change Control Procedure)	Paragraph 4.4	<i>“...The Authority shall respond to the request for clarification as soon as is reasonably practicable.”</i>
IMDM Contract - Schedule 22 (Change Control Procedure)	Paragraph 5.3	
IMDM Contract - Schedule 22 (Change Control Procedure)	Paragraph 5.4	
IMDM Contract - Schedule 22 (Change Control Procedure)	Paragraph 6.1	
IMDM Contract - Schedule 22 (Change Control Procedure)	Paragraph 6.2	<i>“If the Authority approves the proposed Contract Change pursuant to Paragraph 6.1 and it has not been rejected by the Supplier in accordance with</i>

Schedule 7 (Authority Responsibilities)

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Document	Location (Paragraph)	Specifics (if required)
		<i>Paragraph 7, then it shall inform the Supplier...” and “Following receipt by the Authority of the Change Authorisation Note, it shall sign both copies and return one copy to the Supplier.”</i>
IMDM Contract - Schedule 23 (Dispute Resolution Procedure)	Paragraph 7.2	<i>“...the Authority shall have 15 Working Days following receipt of such notice to serve a reply (a “Counter Notice”)...”</i>
IMDM Contract - Schedule 23 (Dispute Resolution Procedure)	Paragraph 9.4	
IMDM Contract - Schedule 24 (Reports and Records Provisions)	Paragraph 1.1	<i>“...If the Parties fail to agree on a draft Transparency Report the Authority shall determine what should be included.”</i>
IMDM Contract - Schedule 24 (Reports and Records Provisions)	Paragraph 7.1	
IMDM Contract - Schedule 25 (Exit Management)	Paragraph 2.3	
IMDM Contract - Schedule 25 (Exit Management)	Paragraph 6.8	<i>“...each Party shall return to the other Party (or if requested, destroy or delete) all Confidential Information of the other Party...”</i>
IMDM Contract - Schedule 25 (Exit Management)	Paragraph 7.2	
IMDM Contract - Schedule 25 (Exit Management)	Paragraph 7.7	
IMDM Contract - Schedule 25 (Exit Management)	Paragraph 9.1	
IMDM Contract - Schedule 25 (Exit Management)	Paragraph 10.2	
IMDM Contract - Schedule 26 (Service Continuity Plan and Corporate Resolution Planning)	Paragraph 2.3	
IMDM Contract - Schedule 26 (Service Continuity Plan and Corporate Resolution Planning)	Paragraph 2.4	

Schedule 7 (Authority Responsibilities)

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Document	Location (Paragraph)	Specifics (if required)
IMDM Contract - Schedule 26 (Service Continuity Plan and Corporate Resolution Planning)	Part A Paragraph 7.3	
IMDM Contract - Schedule 26 (Service Continuity Plan and Corporate Resolution Planning)	Part A Paragraph 7.4	
IMDM Contract - Schedule 26 (Service Continuity Plan and Corporate Resolution Planning)	Part B Paragraph 2.4	
IMDM Contract - Schedule 26 (Service Continuity Plan and Corporate Resolution Planning)	Part B Paragraph 2.5	
IMDM Contract - Schedule 26 (Service Continuity Plan and Corporate Resolution Planning)	Part B Paragraph 4.1	
IMDM Contract - Schedule 28 (Staff Transfer)	Part B Paragraph 2.1	
IMDM Contract - Schedule 28 (Staff Transfer)	Part B Paragraph 2.2	
IMDM Contract - Schedule 28 (Staff Transfer)	Part B Paragraph 2.7	
IMDM Contract - Schedule 28 (Staff Transfer)	Part B Paragraph 2.10	
IMDM Contract - Schedule 28 (Staff Transfer)	Part B Paragraph 2.11	
IMDM Contract - Schedule 28 (Staff Transfer)	Part B Paragraph 2.16	
IMDM Contract - Schedule 28 (Staff Transfer)	Part B Paragraph 4.1	
IMDM Contract - Schedule 28 (Staff Transfer)	Part B Paragraph 6.1	
IMDM Contract - Schedule 28 (Staff Transfer)	Part E Paragraph 2.5.1	
IMDM Contract - Schedule 28 (Staff Transfer)	Part E Paragraph 2.6	
IMDM Contract - Schedule 28 (Staff Transfer)	Part E Paragraph 2.7	
IMDM Contract - Schedule 28 (Staff Transfer)	Part E Paragraph 2.11	
IMDM Contract - Schedule 28 (Staff Transfer)	Part E Paragraph 2.12	

Schedule 7 (Authority Responsibilities)

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Document	Location (Paragraph)	Specifics (if required)
IMDM Contract - Schedule 32 (Intellectual Property Rights)	Paragraph 1.2	
IMDM Contract - Schedule 32 (Intellectual Property Rights)	Option 2 Paragraph 5.5	
IMDM Contract - Schedule 33 (DWP Additional Requirements)	Paragraph 3.4	
IMDM Contract - Schedule 33 (DWP Additional Requirements)	Paragraph 4.3	
IMDM Contract - Schedule 33 (DWP Additional Requirements)	Annex 3 paragraph 2.1	
IMDM Contract - Schedule 33 (DWP Additional Requirements)	Annex 3 paragraph 7.4	

Schedule 8

Supplier Solution

Schedule 8: Supplier Solution

1. Schedule 8 Preliminaries

- 1.1 Within Schedule 8, any reference to “we”, “us”, or “our” refers to the Supplier. Any reference to “you” or “your” refers to the Authority.

2. Envelope Level Sortation - The Authority requires the Supplier to describe the proposed approach to delivering Envelope Level Sortation as detailed in paragraph 4 of Schedule 2 – Services Description.

- 2.1 [Supplier Solution Redacted]

3. Digital Mailroom – Delivery of an end-to-end Service – the Authority requires the Supplier to describe their approach to their delivery of an end-to end service as detailed in paragraph 5 of Schedule 2 – Services Description.

- 3.1 [Supplier Solution Redacted]

4. Digital Mailroom- Performance and Quality Assurance - the Authority requires the Supplier to describe in detail the proposed approach to delivering the services in such a way that adheres to the Performance Levels as detailed in Schedule 3 of the Contract including reporting requirements of section 4.18 of the Specification.

- 4.1 [Supplier Solution Redacted]

5. Digital Mailroom – Flexibility of Service

- 5.1 [Supplier Solution Redacted]

6. Records Management – Delivery of an end-to-end service

- 6.1 [Supplier Solution Redacted]

7. Records Management – Approach to the Bulk Intake of Records

- 7.1 [Supplier Solution Redacted]

8. Records Management – Transport for Bulk Intake

- 8.1 [Supplier Solution Redacted]

9. Records Management – Delivery of Corporate Records

- 9.1 [Supplier Solution Redacted]

10. All Components – Secure Destruction, Data Deletion and Confidential Wate

- 10.1 [Supplier Solution Redacted]

11. All Service Components – Delivery of a Support Function

- 11.1 [Supplier Solution Redacted]

12. All Service Components – Innovation

12.1 [Supplier Solution Redacted]

13. All Service Components – Contract Management including reporting and invoicing

13.1 [Supplier Solution Redacted]

14. All Service Components – Implementation Approach

14.1 [Supplier Solution Redacted]

15. All Service Components – Exit Planning and Transition

15.1 [Supplier Solution Redacted]

16. All Service Components – Disaster Recovery and Business Continuity Plan

16.1 [Supplier Solution Redacted]

17. Digital – Technology Solution

17.1 [Supplier Solution Redacted]

18. Digital – Integration Solution

18.1 [Supplier Solution Redacted]

19. Digital – Batch Solution

19.1 [Supplier Solution Redacted]

20. Digital – Document Validity Checking Solution

20.1 [Supplier Solution Redacted]

21. Digital – Security Checking Solution

21.1 [Supplier Solution Redacted]

22. Social Value – Tackline Economic Inequality

22.1 [Supplier Solution Redacted]

23. Social Value – Equal Opportunity

23.1 [Supplier Solution Redacted]

Schedule 9

Commercially Sensitive Information

Schedule 9: Commercially Sensitive Information

- 1. In this Schedule the Parties have sought to identify the Supplier’s Confidential Information that is genuinely commercially sensitive and the disclosure of which would be the subject of an exemption under the FOIA and the EIRs.
- 2. Where possible, the Parties have sought to identify when any relevant Information will cease to fall into the category of Information to which this Schedule applies in the table below (please see the column “Duration of Confidentiality”).
- 3. Without prejudice to the Authority’s obligation to disclose Information in accordance with FOIA or Clause 19 (Confidentiality), the Authority will, in its sole discretion, acting reasonably, seek to apply the relevant exemption set out in the FOIA to the following Information:

Commercially Sensitive Information

Document	Page No.	Section	Condition or Paragraph Number	Explanation of harm which may result from disclosure and time period applicable to sensitivity.	Duration of Confidentiality
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

Schedule 10

Notified Key Sub-Contractors

Schedule 10: Notified Key Sub-Contractors

- 1. In accordance with Clause 15.9 (*Appointment of Key Sub-contractors*), the Supplier is entitled to sub-contract its obligations under this Contract to the Key Sub-contractors listed in the table below.
- 2. The Parties agree that they will update this Schedule periodically to record any Key Sub-contractors appointed by the Supplier with the consent of the Authority after the Effective Date for the purposes of the delivery of the Services.

Key Sub-contractor name and address (if not the same as the registered office)	Registered office and company number	Related product/Service description	Key Sub-contract price expressed as a percentage of total projected Charges over the Term	Key role in delivery of the Services	Credit Rating Threshold
Royal Mail Group Ltd.	185 Farringdon Road, London, United Kingdom, EC1A 1AA 04138203	Envelope Level Sortation	3.6%	Electronic Sortation of Mail Items	BBB

Schedule 11

Third Party Contracts

Schedule 11: Third Party Contracts

- 1. The contracts listed in the table below constitute Third Party Contracts entered into exclusively for the purposes of delivering the Services.
- 2. The Supplier shall be entitled to update this Schedule in accordance with Clause 15.5 (*Appointment of Sub-contractors*).

Third party supplier name and address (if not the same as the registered office)	Registered office and company number	Related product/service description
[Redacted]	[Redacted]	[Redacted]

Schedule 12

Software

Schedule 12: Software

1. The Software

- 1.1 The Software below is licensed to the Authority in accordance with Clause 16(*Intellectual Property Rights*) and Schedule 32 (*Intellectual Property Rights*).
- 1.2 The Parties agree that they will update this Schedule regularly, and in any event no less than every 6 (six) Months from the Effective Date, to record any Supplier Software or Third Party Software subsequently licensed by the Supplier or third parties for the purposes of the delivery of the Services.

2. Supplier Software

- 2.1 The Supplier Software includes the following items:

Software	Supplier (if an Affiliate of the Supplier)	Purpose	Number of Licences	Restrictions	Number of Copies	Type (COTS or Non-COTS)	Term/Expiry
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

3. Third Party Software

- 3.1 The Third Party Software shall include the following items:

Third Party Software	Supplier	Purpose	Number of Licences	Restrictions	Number of Copies	Type (COTS or Non-COTS)	Term/Expiry
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

Annex 1: Form Of Confidentiality Undertaking

CONFIDENTIALITY AGREEMENT

THIS AGREEMENT is made on [date]

BETWEEN:

- (1) [insert name] of [insert address] (the “**Sub-licensee**”); and
- (2) [insert name] of [insert address] (the “**Supplier**” and together with the Supplier, the “**Parties**”).

WHEREAS:

- (A) The Department for Work and Pensions (the “**Authority**”) and the Supplier are party to a contract dated [insert date] (the “**Contract**”) for the provision by the Supplier of [insert brief description of services] to the Authority.
- (B) The Authority wishes to grant a sub-licence to the Sub-licensee in respect of certain software and intellectual property rights licensed to the Authority pursuant to the Contract (the “**Sub-licence**”).
- (C) It is a requirement of the Contract that, before the Authority grants such sub-licence to the Sub-licensee, the Sub-licensee execute a confidentiality agreement in favour of the Supplier in or substantially in the form of this Agreement to protect the Confidential Information of the Supplier.

IT IS AGREED as follows:

1. Interpretation

- 1.1 In this Agreement, unless the context otherwise requires:

“Confidential Information”

means:

- (a) Information, including all personal data within the meaning of the Data Protection Act 2018, and however it is conveyed, provided by the Authority to the Sub-licensee pursuant to or in connection with the Sub-licence that relates to:
 - (i) the Supplier; or
 - (ii) the operations, business, affairs, developments, intellectual property rights, trade secrets, know-how and/or personnel of the Supplier;
- (b) the source code and the object code of the software sub-licensed to the Sub-licensee pursuant to the Sub-licence together with build information, relevant design and development information, technical specifications of all

functionality including those not included in standard manuals (such as those that modify system performance and access levels), configuration details, test scripts, user manuals, operating manuals, process definitions and procedures, and all such other documentation supplied by the Supplier to the Authority pursuant to or in connection with the Sub-licence;

- (c) other Information provided by the Authority pursuant to this Agreement to the Sub-licensee that is clearly designated as being confidential or equivalent or that ought reasonably to be considered to be confidential which comes (or has come) to the Sub-licensee's attention or into the Sub-licensee's possession in connection with the Sub-licence; and
- (d) Information derived from any of the above, but not including any Information that:
- (e) was in the possession of the Sub-licensee without obligation of confidentiality prior to its disclosure by the Authority;
- (f) was already generally available and in the public domain at the time of disclosure otherwise than by a breach of this Agreement or breach of a duty of confidentiality; or
- (g) was independently developed without access to the Information;

“Information”

means all information of whatever nature, however conveyed and in whatever form, including in writing, orally, by demonstration, electronically and in a tangible, visual or machine-readable medium (including CD-ROM, magnetic and digital form); and

“Sub-licence”

has the meaning given to that expression in recital (B) to this Agreement.

1.2 In this Agreement:

- 1.2.1 a reference to any gender includes a reference to other genders;
- 1.2.2 the singular includes the plural and vice versa;
- 1.2.3 the words “include” and cognate expressions shall be construed as if they were immediately followed by the words “without limitation”;
- 1.2.4 references to any statutory provision include a reference to that provision as modified, replaced, amended and/or re-enacted from time to time (before or after the date of this Agreement) and any prior or subsequent subordinate legislation made under it;

- 1.2.5 headings are included for ease of reference only and shall not affect the interpretation or construction of this Agreement; and
- 1.2.6 references to Clauses are to clauses of this Agreement.

2. Confidentiality Obligations

- 2.1 In consideration of the Authority entering into the Sub-licence, the Sub-licensee shall:
 - 2.1.1 treat all Confidential Information as secret and confidential;
 - 2.1.2 have in place and maintain proper security measures and procedures to protect the confidentiality of the Confidential Information (having regard to its form and nature);
 - 2.1.3 not disclose or permit the disclosure of any of the Confidential Information to any other person without obtaining the prior written consent of the Supplier or except as expressly set out in this Agreement;
 - 2.1.4 not transfer any of the Confidential Information outside the United Kingdom;
 - 2.1.5 not use or exploit any of the Confidential Information for any purpose whatsoever other than as permitted under the Sub-licence;
 - 2.1.6 immediately notify the Supplier in writing if it suspects or becomes aware of any unauthorised access, copying, use or disclosure in any form of any of the Confidential Information; and
 - 2.1.7 upon the expiry or termination of the Sub-licence:
 - (a) destroy or return to the Supplier all documents and other tangible materials that contain any of the Confidential Information;
 - (b) ensure, so far as reasonably practicable, that all Confidential Information held in electronic, digital or other machine-readable form ceases to be readily accessible (other than by the information technology staff of the Sub-licensee) from any computer, word processor, voicemail system or any other device; and
 - (c) make no further use of any Confidential Information.

3. Permitted Disclosures

- 3.1 The Sub-licensee may disclose Confidential Information to those of its directors, officers, employees, consultants and professional advisers who:
 - 3.1.1 reasonably need to receive the Confidential Information in connection with the Sub-licence; and
 - 3.1.2 have been informed by the Sub-licensee of the confidential nature of the Confidential Information; and
 - 3.1.3 have agreed to terms similar to those in this Agreement.

- 3.2 The Sub-licensee shall be entitled to disclose Confidential Information to the extent that it is required to do so by applicable law or by order of a court or other public body that has jurisdiction over the Sub-licensee.
- 3.3 Before making a disclosure pursuant to Clause 3.2, the Sub-licensee shall, if the circumstances permit:
 - 3.3.1 notify the Supplier in writing of the proposed disclosure as soon as possible (and if possible before the court or other public body orders the disclosure of the Confidential Information); and
 - 3.3.2 ask the court or other public body to treat the Confidential Information as confidential.

4. General

- 4.1 The Sub-licensee acknowledges and agrees that all property, including intellectual property rights, in Confidential Information disclosed to it by the Supplier shall remain with and be vested in the Supplier.
- 4.2 This Agreement does not include, expressly or by implication, any representations, warranties or other obligations:
 - 4.2.1 to grant the Sub-licensee any licence or rights other than as may be expressly stated in the Sub-licence;
 - 4.2.2 to require the Supplier to disclose, continue disclosing or update any Confidential Information; or
 - 4.2.3 as to the accuracy, efficacy, completeness, capabilities, safety or any other qualities whatsoever of any Information or materials provided pursuant to or in anticipation of the Sub-licence.
- 4.3 The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers or remedies provided by law. No failure or delay by either Party to exercise any right, power or remedy will operate as a waiver of it nor will any partial exercise preclude any further exercise of the same, or of some other right, power or remedy.
- 4.4 Without prejudice to any other rights or remedies that the Supplier may have, the Sub-licensee acknowledges and agrees that damages alone may not be an adequate remedy for any breach by the Sub-licensee of any of the provisions of this Agreement. Accordingly, the Sub-licensee acknowledges that the Supplier shall be entitled to the remedies of injunction and specific performance as well as any other equitable relief for any threatened or actual breach of this Agreement and/or breach of confidence and that no proof of special damages shall be necessary for the enforcement of such remedies.
- 4.5 The maximum liability of the Sub-licensee to the Supplier for any breach of this Agreement shall be limited to ten million pounds (£10,000,000).
- 4.6 For the purposes of the Contracts (Rights of Third Parties) Act 1999 no one other than the Parties has the right to enforce the terms of this Agreement.

4.7 Each Party shall be responsible for all costs incurred by it or on its behalf in connection with this Agreement.

4.8 This Agreement may be executed in any number of counterparts and by the Parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.

5. Notices

5.1 Any notice to be given under this Agreement (each a “**Notice**”) shall be given in writing and shall be delivered by hand and shall be deemed to have been duly given at the time of delivery provided that such Notice is sent to the relevant physical address, and expressly marked for the attention of the relevant individual, set out in Clause 5.2.

5.2 Any Notice:

5.2.1 if to be given to the Supplier shall be sent to:

[Address]

Attention: [Contact name and/or position, e.g. “The Finance Director”]

5.2.2 if to be given to the Sub-licensee shall be sent to:

[Name of Organisation]

[Address]

Attention: []

6. Governing law

6.1 This Agreement shall be governed by, and construed in accordance with, English law and any matter claim or dispute arising out of or in connection with this Agreement whether contractual or non-contractual, shall be governed by and determined in accordance with English law.

6.2 Each Party hereby irrevocably submits to the exclusive jurisdiction of the English courts in respect of any claim or dispute arising out of or in connection with this Agreement.

IN WITNESS of the above this Agreement has been signed by the duly authorised representatives of the Parties on the date which appears at the head of page 1.

For and on behalf of [name of Supplier]

Signature:

Date:

Name:

Position:

For and on behalf of [name of Sub-licensee]

Signature:

Date:

Name:

Position:

Schedule 13

Implementation Plan

Schedule 13: Implementation Plan

1. Introduction

1.1 This Schedule:

- 1.1.1 defines the process for the preparation and implementation of the Outline Implementation Plan and Detailed Implementation Plan; and
- 1.1.2 identifies the Milestones (and associated Deliverables) including the Milestones which trigger payment to the Supplier of the applicable Milestone Payments following the issue of the applicable Milestone Achievement Certificate.

2. Outline Implementation Plan

- 2.1 The Outline Implementation Plan is set out in Annex A.
- 2.2 All changes to the Outline Implementation Plan shall be subject to the Change Control Procedure provided that the Supplier shall not attempt to postpone any of the Milestones using the Change Control Procedure or otherwise (except in accordance with Clause 29 (*Authority Cause*)) unless such postponement is expressly agreed by the Authority.

3. Approval of the Detailed Implementation Plan

- 3.1 The Supplier shall submit a draft of the Detailed Implementation Plan to the Authority for approval within 20 Working Days of the Effective Date.
- 3.2 The Supplier shall ensure that the draft Detailed Implementation Plan:
 - 3.2.1 incorporates all of the Milestones and Milestone Dates set out in the Outline Implementation Plan;
 - 3.2.2 includes (as a minimum) the Supplier's proposed timescales in respect of the following for each of the Milestones:
 - (a) the completion of each design document;
 - (b) the completion of the build phase;
 - (c) the completion of any Testing to be undertaken in accordance with Schedule 14 (*Testing Procedures*); and
 - (d) training and roll-out activities;
 - 3.2.3 clearly outlines all the steps required to implement the Milestones to be achieved in the next 15 months, together with a high level plan for the rest of the programme, in conformity with the Authority Requirements;
 - 3.2.4 clearly outlines the required roles and responsibilities of both Parties, including staffing requirements; and
 - 3.2.5 is produced using a software tool as specified, or agreed by the Authority.
- 3.3 Prior to the submission of the draft Detailed Implementation Plan to the Authority in

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accordance with Paragraph 3.1, the Authority shall have the right:

- 3.3.1 to review any documentation produced by the Supplier in relation to the development of the Detailed Implementation Plan, including:
 - (a) details of the Supplier's intended approach to the Detailed Implementation Plan and its development;
 - (b) copies of any drafts of the Detailed Implementation Plan produced by the Supplier; and
 - (c) any other work in progress in relation to the Detailed Implementation Plan; and
- 3.3.2 to require the Supplier to include any reasonable changes or provisions in the Detailed Implementation Plan.
- 3.4 Following receipt of the draft Detailed Implementation Plan from the Supplier, the Authority shall:
 - 3.4.1 review and comment on the draft Detailed Implementation Plan as soon as reasonably practicable; and
 - 3.4.2 notify the Supplier in writing that it approves or rejects the draft Detailed Implementation Plan no later than 20 Working Days after the date on which the draft Detailed Implementation Plan is first delivered to the Authority.
- 3.5 If the Authority rejects the draft Detailed Implementation Plan:
 - 3.5.1 the Authority shall inform the Supplier in writing of its reasons for its rejection; and
 - 3.5.2 the Supplier shall then revise the draft Detailed Implementation Plan (taking reasonable account of the Authority's comments) and shall re-submit a revised draft Detailed Implementation Plan to the Authority for the Authority's approval within 20 Working Days of the date of the Authority's notice of rejection. The provisions of Paragraph 3.4 and this Paragraph 3.5 shall apply again to any resubmitted draft Detailed Implementation Plan, provided that either Party may refer any disputed matters for resolution by the Dispute Resolution Procedure at any time.
- 3.6 If the Authority approves the draft Detailed Implementation Plan, it shall replace the Outline Implementation Plan from the date of the Authority's notice of approval.

4. Updates to And Maintenance of the Detailed Implementation Plan

- 4.1 Following the approval of the Detailed Implementation Plan by the Authority:
 - 4.1.1 the Supplier shall submit a revised Detailed Implementation Plan to the Authority every 3 months starting 3 months from the Effective Date;
 - 4.1.2 without prejudice to Paragraph 4.1.1, the Authority shall be entitled to request a revised Detailed Implementation Plan at any time by giving written notice to the Supplier and the Supplier shall submit a draft revised Detailed Implementation Plan to the Authority within 20 Working Days of receiving such a request from

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the Authority (or such longer period as the Parties may agree provided that any failure to agree such longer period shall be referred to the Dispute Resolution Procedure);

4.1.3 any revised Detailed Implementation Plan shall (subject to Paragraph 4.2) be submitted by the Supplier for approval in accordance with the procedure set out in Paragraph 3; and

4.1.4 the Supplier's performance against the Implementation Plan shall be monitored at meetings of the Monthly Review Board (as defined in Schedule 21 (*Governance*)). In preparation for such meetings, the current Detailed Implementation Plan shall be provided by the Supplier to the Authority not less than 5 Working Days in advance of each meeting of the Monthly Review Board.

4.2 Save for any amendments which are of a type identified and notified by the Authority (at the Authority's discretion) to the Supplier in writing as not requiring approval, any material amendments to the Detailed Implementation Plan shall be subject to the Change Control Procedure provided that:

4.2.1 any amendments to elements of the Detailed Implementation Plan which are based on the contents of the Outline Implementation Plan shall be deemed to be material amendments; and

4.2.2 in no circumstances shall the Supplier be entitled to alter or request an alteration to any Milestone Date except in accordance with Clause 29 (*Authority Cause*).

4.3 Any proposed amendments to the Detailed Implementation Plan shall not come into force until they have been approved in writing by the Authority.

5. Government Reviews

5.1 The Supplier acknowledges that the Services may be subject to Government review at key stages of the project. The Supplier shall cooperate with any bodies undertaking such review and shall allow for such reasonable assistance as may be required for this purpose within the Charges.

Annex A: Outline Implementation Plan

Milestone	Deliverables (bulleted list showing all Deliverables (and associated tasks) required for each Milestone)	Duration (Working Days)	Milestone Date	Authority Responsi bilities (if applicabl e)	Link to ATP/CPP
M1 - Draft Detailed Implementation Plan	<ul style="list-style-type: none"> The Supplier has provided the Detailed Implementation Plan (Schedule 13 - Implementation Plan). The plan will be capable of being approved by the Authority in accordance with Paragraph 3 of this Schedule. 	20 Working Days	Effective Date + 20 Working Days	Not applicable	Not applicable
M2 – set up activities Month 1	Details of the Deliverables for this Milestone to be set out in the Detailed Implementation Plan		31 August 2024		Not applicable
M3 - set up activities Month 2	Details of the Deliverables for this Milestone to be set out in the Detailed Implementation Plan		30 September 2024		Not applicable
M4 - set up activities Month 3	Details of the Deliverables for this Milestone to be set out in the Detailed Implementation Plan		31 October 2024		Not applicable
M5 - set up activities Month 4	Details of the Deliverables for this Milestone to be set out in the Detailed Implementation Plan		30 November 2024		Not applicable
M6 - set up activities Month 5	Details of the Deliverables for this Milestone to be set out in the Detailed Implementation Plan		31 December 2024		Not applicable

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Milestone	Deliverables (bulleted list showing all Deliverables (and associated tasks) required for each Milestone)	Duration (Working Days)	Milestone Date	Authority Responsibilities (if applicable)	Link to ATP/CPP
M7 – set up activities Month 6 Operational Service Commencement Date for Digital Mailroom	Details of the Deliverables for this Milestone to be set out in the Detailed Implementation Plan		13 January 2025		ATP Milestone
M8 – Tranche Transition Plan - Tranche 1	<ul style="list-style-type: none"> The Supplier has successfully reached the 'cool down' stage for tranche 1. All benefit lines included within tranche 1 have been onboarded. 		03 February 2025		CPP Milestone
M9 – Tranche Transition Plan - Tranche 2.	<ul style="list-style-type: none"> The Supplier has successfully reached the 'cool down' stage for tranche 2. All benefit lines included within tranche 2 have been onboarded. 		03 March 2025		CPP Milestone
M10 – Tranche Transition Plan - Tranche 3	<ul style="list-style-type: none"> The Supplier has successfully reached the 'cool down' stage for tranche 3. All benefit lines included within tranche 3 have been onboarded. 		31 March 2025		CPP Milestone
M11 – Tranche Transition Plan - Tranche 4	<ul style="list-style-type: none"> The Supplier has successfully reached the 'cool down' stage for tranche 4. All benefit lines included within tranche 4 have been onboarded. 		19 May 2025		CPP Milestone
M12 – Implementation Services Commencement	Details of the Deliverables for this Milestone to be set out in the Detailed Implementation Plan		1 May 2025		

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Milestone	Deliverables (bulleted list showing all Deliverables (and associated tasks) required for each Milestone)	Duration (Working Days)	Milestone Date	Authority Responsibilities (if applicable)	Link to ATP/CPP
Date for Records Management					
M13 – Tranche Transition Plan - Tranche 5	<ul style="list-style-type: none"> The Supplier has successfully reached the 'cool down' stage for tranche 5. All benefit lines included within tranche 5 have been onboarded. 		16 June 2025		CPP Milestone
M14 – Tranche Transition Plan - Tranche 6	<ul style="list-style-type: none"> The Supplier has successfully reached the 'cool down' stage for tranche 6. All benefit lines included within tranche 6 have been onboarded. 		14 July 2025		CPP Milestone
M15 – Tranche Transition Plan - Tranche 7	<ul style="list-style-type: none"> The Supplier has successfully reached the 'cool down' stage for tranche 7. All benefit lines included within tranche 7 have been onboarded. 		11 August 2025		CPP Milestone
M16 – Tranche Transition Plan - Tranche 8	<ul style="list-style-type: none"> The Supplier has successfully reached the 'cool down' stage for tranche 8. All benefit lines included within tranche 8 have been onboarded. 		08 September 2025		CPP Milestone
M17 – Tranche Transition Plan - Tranche 9	<ul style="list-style-type: none"> The Supplier has successfully reached the 'cool down' stage for tranche 9. All benefit lines included within tranche 9 have been onboarded. 		06 October 2025		CPP Milestone
M18 - Operational Service	Details of the Deliverables for this Milestone to be set out in		1 November 2025		ATP Milestone

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Milestone	Deliverables (bulleted list showing all Deliverables (and associated tasks) required for each Milestone)	Duration (Working Days)	Milestone Date	Authority Responsibilities (if applicable)	Link to ATP/CPP
Commencement Date for Records Management	the Detailed Implementation Plan				
M19 – Implementation Services Commencement Date for ELS			1 January 2026		
M20 – Operational Service Commencement Date for ELS			1 July 2026		
M21 – transition of all the Records Management services complete			31 October 2026		

Schedule 14

Testing Procedures

Schedule 14: Testing Procedures

1. Definitions

1.1 In this Schedule, the following definitions shall apply:

“AWS”	Amazon Web Services
“Component”	any constituent parts of the infrastructure for a Service, hardware or Software;
“DMS”	Debt Management System
“ECMS”	Enterprise Content Management Services
“FAT”	Field Acceptance Testing
“IAG”	Intelligent Automation Garage
“Material Test Issue”	a Test Issue of Severity Level 1 or Severity Level 2;
“OAT”	Operational Acceptance Testing
“Severity Level”	the level of severity of a Test Issue, the criteria for which are described in Annex 1;
“Test Certificate”	a certificate materially in the form of the document contained in Annex 2 issued by the Authority when a Deliverable has satisfied its relevant Test Success Criteria;
“Test Issue”	any variance or non-conformity of a Deliverable from its requirements (such requirements being set out in the relevant Test Success Criteria);
“Test Issue Threshold”	in relation to the Tests applicable to a Milestone, a maximum number of Severity Level 3, Severity Level 4 and Severity Level 5 Test Issues as set out in the relevant Test Plan;
“Test Issue Management Log”	a log for the recording of Test Issues as described further in Paragraph 9.1;
“Test Plan”	a plan: (a) for the Testing of Deliverables; and (b) setting out other agreed criteria related to the achievement of Milestones,

	as described further in Paragraph 5;
“Test Reports”	the reports to be produced by the Supplier setting out the results of Tests;
“Test Specification”	the specification that sets out how Tests will demonstrate that the Test Success Criteria have been satisfied, as described in more detail in Paragraph 7;
“Test Strategy”	a strategy for the conduct of Testing as described further in Paragraph 4;
“Test Success Criteria”	in relation to a Test, the test success criteria for that Test as referred to in Paragraph 6;
“Test Witness”	any person appointed by the Authority pursuant to Paragraph 10.1; and
“Testing Procedures”	the applicable testing procedures and Test Success Criteria set out in this Schedule.
“UAT”	User Acceptance Testing

2. Risk

- 2.1 The issue of a Test Certificate, a Milestone Achievement Certificate and/or a conditional Milestone Achievement Certificate shall not:
- 2.1.1 operate to transfer any risk that the relevant Deliverable or Milestone is complete or will meet and/or satisfy the Authority’s requirements for that Deliverable or Milestone; or
 - 2.1.2 affect the Authority’s right subsequently to reject:
 - (a) all or any element of the Deliverables to which a Test Certificate relates; or
 - (b) any Milestone to which the Milestone Achievement Certificate relates.
- 2.2 Notwithstanding the issuing of any Milestone Achievement Certificate (including the Milestone Achievement Certificate in respect of Authority to Proceed), the Supplier shall remain solely responsible for ensuring that:
- 2.2.1 the Supplier Solution as designed and developed is suitable for the delivery of the Services and meets the Authority Requirements;
 - 2.2.2 the Services are implemented in accordance with this Contract; and
 - 2.2.3 each Target Performance Level is met from the relevant Operational Service Commencement Date.

3. Testing Overview

- 3.1 All Tests conducted by the Supplier shall be conducted in accordance with the Test Strategy, the Test Plans and the Test Specifications.
- 3.2 The Supplier shall not submit any Deliverable for Testing:
 - 3.2.1 unless the Supplier is reasonably confident that it will satisfy the relevant Test Success Criteria;
 - 3.2.2 until the Authority has issued a Test Certificate in respect of any prior, dependant Deliverable(s); and
 - 3.2.3 until the Parties have agreed the Test Plan and the Test Specification relating to the relevant Deliverable(s).
- 3.3 The Supplier shall use reasonable endeavours to submit each Deliverable for Testing or re-Testing by or before the date set out in the Implementation Plan for the commencement of Testing in respect of the relevant Deliverable.
- 3.4 Prior to the issue of a Test Certificate, the Authority shall be entitled to review the relevant Test Reports and the Test Issue Management Log.
- 3.5 Any Disputes between the Authority and the Supplier regarding Testing shall be referred to the Dispute Resolution Procedure using the Expedited Dispute Timetable.

4. Test Strategy

- 4.1 The Supplier shall develop the final Test Strategy as soon as practicable after the Effective Date but in any case no later than 20 Working Days (or such other period as the Parties may agree in writing) after the Effective Date.
- 4.2 The final Test Strategy shall include:
 - 4.2.1 an overview of how Testing will be conducted in accordance with the Implementation Plan;
 - 4.2.2 the process to be used to capture and record Test results and the categorisation of Test Issues;
 - 4.2.3 the method for mapping the expected Test results to the Test Success Criteria;
 - 4.2.4 the procedure to be followed if a Deliverable fails to satisfy the Test Success Criteria or produces unexpected results, including a procedure for the resolution of Test Issues;
 - 4.2.5 the procedure to be followed to sign off each Test;
 - 4.2.6 the process for the production and maintenance of Test Reports and reporting, including templates for the Test Reports and the Test Issue Management Log, and a sample plan for the resolution of Test Issues;
 - 4.2.7 the names and contact details of the Authority's and the Supplier's Test representatives;

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- 4.2.8 a high level identification of the resources required for Testing, including facilities, infrastructure, personnel and Authority and/or third party involvement in the conduct of the Tests;
- 4.2.9 the technical environments required to support the Tests; and
- 4.2.10 the procedure for managing the configuration of the Test environments.

5. Test Plans

- 5.1 The Supplier shall develop Test Plans and submit these for the approval of the Authority as soon as practicable but in any case no later than 20 Working Days (or such other period as the Parties may agree in the Test Strategy or otherwise agree in writing) prior to the start date for the relevant Testing (as specified in the Implementation Plan).
- 5.2 Each Test Plan shall include as a minimum:
 - 5.2.1 the relevant Test definition and the purpose of the Test, the Milestone to which it relates, the requirements being tested and, for each Test, the specific Test Success Criteria to be satisfied;
 - 5.2.2 a detailed procedure for the Tests to be carried out, including:
 - (a) the timetable for the Tests, including start and end dates;
 - (b) the Testing mechanism;
 - (c) dates and methods by which the Authority can inspect Test results or witness the Tests in order to establish that the Test Success Criteria have been met;
 - (d) the mechanism for ensuring the quality, completeness and relevance of the Tests;
 - (e) the format and an example of Test progress reports and the process with which the Authority accesses daily Test schedules;
 - (f) the process which the Authority will use to review Test Issues and the Supplier's progress in resolving these in a timely basis;
 - (g) the Test Schedule;
 - (h) the re-Test procedure, the timetable and the resources which would be required for re-Testing; and
 - 5.2.3 the process for escalating Test Issues from a re-test situation to the taking of specific remedial action to resolve the Test Issue.
- 5.3 The Authority shall not unreasonably withhold or delay its approval of the Test Plans provided that the Supplier shall incorporate any reasonable requirements of the Authority in the Test Plans.

6. Test Success Criteria

- 6.1 The Test Success Criteria for:

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- 6.1.1 each Test that must be Achieved for the Supplier to Achieve either the ATP Milestone or a CPP Milestone are set out in Annex 4; and
- 6.1.2 all other Tests shall be agreed between the Parties as part of the relevant Test Plan pursuant to Paragraph 5.

7. Test Specification

- 7.1 Following approval of a Test Plan, the Supplier shall develop the Test Specification for the relevant Deliverables as soon as reasonably practicable and in any event at least 10 Working Days (or such other period as the Parties may agree in the Test Strategy or otherwise agree in writing) prior to the start of the relevant Testing (as specified in the Implementation Plan).
- 7.2 Each Test Specification shall include as a minimum:
 - 7.2.1 the specification of the Test data, including its source, scope, volume and management, a request (if applicable) for relevant Test data to be provided by the Authority and the extent to which it is equivalent to live operational data;
 - 7.2.2 a plan to make the resources available for Testing;
 - 7.2.3 Test scripts;
 - 7.2.4 Test pre-requisites and the mechanism for measuring them; and
 - 7.2.5 expected Test results, including:
 - (a) a mechanism to be used to capture and record Test results; and
 - (b) a method to process the Test results to establish their content.

8. Testing

- 8.1 Before submitting any Deliverables for Testing the Supplier shall subject the relevant Deliverables to its own internal quality control measures.
- 8.2 The Supplier shall manage the progress of Testing in accordance with the relevant Test Plan and shall carry out the Tests in accordance with the relevant Test Specification. Tests may be witnessed by the Test Witnesses in accordance with Paragraph 10.
- 8.3 The Supplier shall notify the Authority at least 10 Working Days (or such other period as the Parties may agree in writing) in advance of the date, time and location of the relevant Tests and the Authority shall ensure that the Test Witnesses attend the Tests, except where the Authority has specified in writing that such attendance is not necessary.
- 8.4 The Authority may raise and close Test Issues during the Test witnessing process.
- 8.5 The Supplier shall provide to the Authority in relation to each Test:
 - 8.5.1 a draft Test Report not less than 2 Working Days (or such other period as the Parties may agree in writing) prior to the date on which the Test is planned to end; and
 - 8.5.2 the final Test Report within 5 Working Days (or such other period as the Parties

may agree in writing) of completion of Testing.

- 8.6 Each Test Report shall provide a full report on the Testing conducted in respect of the relevant Deliverables, including:
- 8.6.1 an overview of the Testing conducted;
 - 8.6.2 identification of the relevant Test Success Criteria that have been satisfied;
 - 8.6.3 identification of the relevant Test Success Criteria that have not been satisfied together with the Supplier's explanation of why those criteria have not been met;
 - 8.6.4 the Tests that were not completed together with the Supplier's explanation of why those Tests were not completed;
 - 8.6.5 the Test Success Criteria that were satisfied, not satisfied or which were not tested, and any other relevant categories, in each case grouped by Severity Level in accordance with Paragraph 9.1; and
 - 8.6.6 the specification for any hardware and software used throughout Testing and any changes that were applied to that hardware and/or software during Testing.

9. Test Issues

- 9.1 Where a Test Report identifies a Test Issue, the Parties shall agree the classification of the Test Issue using the criteria specified in Annex 1 and the Test Issue Management Log maintained by the Supplier shall log Test Issues reflecting the Severity Level allocated to each Test Issue.
- 9.2 The Supplier shall be responsible for maintaining the Test Issue Management Log and for ensuring that its contents accurately represent the current status of each Test Issue at all relevant times. The Supplier shall make the Test Issue Management Log available to the Authority upon request.
- 9.3 The Authority shall confirm the classification of any Test Issue unresolved at the end of a Test in consultation with the Supplier. If the Parties are unable to agree the classification of any unresolved Test Issue, the Dispute shall be dealt with in accordance with the Dispute Resolution Procedure using the Expedited Dispute Timetable.

10. Test Witnessing

- 10.1 The Authority may, in its sole discretion, require the attendance at any Test of one or more Test Witnesses selected by the Authority, each of whom shall have appropriate skills to fulfil the role of a Test Witness.
- 10.2 The Supplier shall give the Test Witnesses access to any documentation and Testing environments reasonably necessary and requested by the Test Witnesses to perform their role as a Test Witness in respect of the relevant Tests.
- 10.3 The Test Witnesses:
- 10.3.1 shall actively review the Test documentation;
 - 10.3.2 will attend and engage in the performance of the Tests on behalf of the Authority so as to enable the Authority to gain an informed view of whether a Test Issue

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- may be closed or whether the relevant element of the Test should be re-Tested;
- 10.3.3 shall not be involved in the execution of any Test;
- 10.3.4 shall be required to verify that the Supplier conducted the Tests in accordance with the Test Success Criteria and the relevant Test Plan and Test Specification;
- 10.3.5 may produce and deliver their own, independent reports on Testing, which may be used by the Authority to assess whether the Tests have been Achieved;
- 10.3.6 may raise Test Issues on the Test Issue Management Log in respect of any Testing; and
- 10.3.7 may require the Supplier to demonstrate the modifications made to any defective Deliverable before a Test Issue is closed.

11. Test Quality Audit

- 11.1 Without prejudice to its rights pursuant to Clause 12.2(*Records, Reports, Audits & Open Book Data*), the Authority may perform on-going quality audits in respect of any part of the Testing (each a “**Testing Quality Audit**”) subject to the provisions set out in the agreed Quality Plan.
- 11.2 The focus of the Testing Quality Audits shall be on:
 - 11.2.1 adherence to an agreed methodology;
 - 11.2.2 adherence to the agreed Testing process;
 - 11.2.3 adherence to the Quality Plan;
 - 11.2.4 review of status and key development issues; and
 - 11.2.5 identification of key risk areas.
- 11.3 The Supplier shall allow sufficient time in the Test Plan to ensure that adequate responses to a Testing Quality Audit can be provided.
- 11.4 The Authority will give the Supplier at least 5 Working Days’ written notice of the Authority’s intention to undertake a Testing Quality Audit and the Supplier may request, following receipt of that notice, that any Testing Quality Audit be delayed by a reasonable time period if in the Supplier’s reasonable opinion, the carrying out of a Testing Quality Audit at the time specified by the Authority will materially and adversely impact the Implementation Plan.
- 11.5 A Testing Quality Audit may involve document reviews, interviews with the Supplier Personnel involved in or monitoring the activities being undertaken pursuant to this Schedule, the Authority witnessing Tests and demonstrations of the Deliverables to the Authority. Any Testing Quality Audit shall be limited in duration to a maximum time to be agreed between the Supplier and the Authority on a case by case basis (such agreement not to be unreasonably withheld or delayed). The Supplier shall provide all reasonable necessary assistance and access to all relevant documentation required by the Authority to enable it to carry out the Testing Quality Audit.
- 11.6 If the Testing Quality Audit gives the Authority concern in respect of the Testing Procedures

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or any Test, the Authority shall:

- 11.6.1 discuss the outcome of the Testing Quality Audit with the Supplier, giving the Supplier the opportunity to provide feedback in relation to specific activities; and
 - 11.6.2 subsequently prepare a written report for the Supplier detailing its concerns, and the Supplier shall, within a reasonable timeframe, respond in writing to the Authority's report.
- 11.7 In the event of an inadequate response to the Authority's report from the Supplier, the Authority (acting reasonably) may withhold a Test Certificate (and consequently delay the grant of a Milestone Achievement Certificate) until the issues in the report have been addressed to the reasonable satisfaction of the Authority.

12. Outcome of Testing

- 12.1 The Authority shall issue a Test Certificate as soon as reasonably practicable when the Deliverables satisfy the Test Success Criteria in respect of that Test without any Test Issues.
- 12.2 If the Deliverables (or any relevant part) do not satisfy the Test Success Criteria then the Authority shall notify the Supplier and:
- 12.2.1 the Authority may issue a Test Certificate conditional upon the remediation of the Test Issues;
 - 12.2.2 where the Parties agree that there is sufficient time prior to the relevant Milestone Date, the Authority may extend the Test Plan by such reasonable period or periods as the Parties may reasonably agree and require the Supplier to rectify the cause of the Test Issue and re-submit the Deliverables (or the relevant part) to Testing; or
 - 12.2.3 where the failure to satisfy the Test Success Criteria results, or is likely to result, in the failure (in whole or in part) by the Supplier to meet a Milestone, then without prejudice to the Authority's other rights and remedies, such failure shall constitute a Notifiable Default for the purposes of Clause 25.1(*Rectification Plan Process*).
- 12.3 The Authority shall be entitled, without prejudice to any other rights and remedies that it has under this Contract, to recover from the Supplier any reasonable additional costs it may incur as a direct result of further review or re-Testing which is required for the Test Success Criteria for that Deliverable to be satisfied.

13. Issue of Milestone Achievement Certificate

- 13.1 The Authority shall issue a Milestone Achievement Certificate in respect of a given Milestone as soon as is reasonably practicable following:
- 13.1.1 the issuing by the Authority of Test Certificates and/or conditional Test Certificates in respect of all Deliverables related to that Milestone which are due to be Tested; and
 - 13.1.2 performance by the Supplier to the reasonable satisfaction of the Authority of

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any other tasks identified in the Implementation Plan as associated with that Milestone (which may include the submission of a Deliverable that is not due to be Tested, such as the production of Documentation).

- 13.2 The grant of a Milestone Achievement Certificate shall entitle the Supplier to the receipt of a payment in respect of that Milestone in accordance with the provisions of Schedule 15 (*Charges and Invoicing*).
- 13.3 If a Milestone is not Achieved, the Authority shall promptly issue a report to the Supplier setting out:
 - 13.3.1 the applicable Test Issues ; and
 - 13.3.2 any other reasons for the relevant Milestone not being Achieved.
- 13.4 If there are Test Issues but these do not exceed the Test Issues Threshold, then provided there are no Material Test Issues, the Authority shall issue a Milestone Achievement Certificate.
- 13.5 Without prejudice to the Authority's other remedies the following shall constitute a Notifiable Default for the purposes of Clause 25.1(*Rectification Plan Process*) and the Authority shall refuse to issue a Milestone Achievement Certificate where:
 - 13.5.1 there is one or more Material Test Issue(s); or
 - 13.5.2 the information required under Schedule 24 (*Reports and Records Provisions*) (Annex 3: *Records To Upload To Virtual Library*) has not been uploaded to the Virtual Library in accordance with Paragraph 3 of that Schedule.
- 13.6 If there are Test Issues which exceed the Test Issues Threshold but there are no Material Test Issues, the Authority may at its discretion (without waiving any rights in relation to the other options) choose to issue a Milestone Achievement Certificate conditional on the remediation of the Test Issues in accordance with an agreed Rectification Plan provided that:
 - 13.6.1 any Rectification Plan shall be agreed before the issue of a conditional Milestone Achievement Certificate unless the Authority agrees otherwise (in which case the Supplier shall submit a Rectification Plan for approval by the Authority within 10 Working Days of receipt of the Authority's report pursuant to Paragraph 13.3); and
 - 13.6.2 where the Authority issues a conditional Milestone Achievement Certificate, it may (but shall not be obliged to) revise the failed Milestone Date and any subsequent Milestone Date.

Annex 1: Test Issues – Severity Levels

1. Severity Levels

- 1.1 **Severity Level 1 Test Issue:** a Test Issue that causes non-recoverable conditions, e.g. it is not possible to continue using a Component, a Component crashes, there is database or file corruption, or data loss;
- 1.2 **Severity Level 2 Test Issue:** a Test Issue for which, as reasonably determined by the Authority, there is no practicable workaround available, and which:
 - 1.2.1 causes a Component to become unusable;
 - 1.2.2 causes a lack of functionality, or unexpected functionality, that has an impact on the current Test; or
 - 1.2.3 has an adverse impact on any other Component(s) or any other area of the Services;
- 1.3 **Severity Level 3 Test Issue:** a Test Issue which:
 - 1.3.1 causes a Component to become unusable;
 - 1.3.2 causes a lack of functionality, or unexpected functionality, but which does not impact on the current Test; or
 - 1.3.3 has an impact on any other Component(s) or any other area of the Services;but for which, as reasonably determined by the Authority, there is a practicable workaround available;
- 1.4 **Severity Level 4 Test Issue:** a Test Issue which causes incorrect functionality of a Component or process, but for which there is a simple, Component based, workaround, and which has no impact on the current Test, or other areas of the Services; and
- 1.5 **Severity Level 5 Test Issue:** a Test Issue that causes a minor problem, for which no workaround is required, and which has no impact on the current Test, or other areas of the Services.

Annex 2: Test Certificate

To: [Name of Supplier]

From: [Name of Authority]

[Date]

Dear Sirs,

TEST CERTIFICATE

Deliverables: [insert description of Deliverables]

We refer to the agreement (the “**Contract**”) relating to the provision of the Services between the [name of Authority] (the “**Authority**”) and [name of Supplier] (the “**Supplier**”) dated [date].

Capitalised terms used in this certificate have the meanings given to them in Schedule 1 (*Definitions*) or Schedule 14 (*Testing Procedures*) of the Contract.

[We confirm that the Deliverables listed above have been tested successfully in accordance with the Test Plan relevant to those Deliverables.]

OR

[This Test Certificate is issued pursuant to Paragraph 12.1 of Schedule 14 (*Testing Procedures*) of the Contract on the condition that any Test Issues are remedied in accordance with the Rectification Plan attached to this certificate.]*

**delete as appropriate*

Yours faithfully

[Name]

[Position]

acting on behalf of [name of Authority]

Annex 3: Milestone Achievement Certificate

To: [Name of Supplier]

From: [Name of Authority]

[Date]

Dear Sirs,

MILESTONE ACHIEVEMENT CERTIFICATE

Milestone: **[insert]** description of Milestone]

We refer to the agreement (the “**Contract**”) relating to the provision of the Services between the [name of Authority] (the “**Authority**”) and [name of Supplier] (the “**Supplier**”) dated [date].

Capitalised terms used in this certificate have the meanings given to them in Schedule 1 (*Definitions*) or Schedule 14 (*Testing Procedures*) of the Contract.

[We confirm that all the Deliverables relating to Milestone **[number]** have been tested successfully in accordance with the Test Plan relevant to this Milestone [or that a conditional Test Certificate has been issued in respect of those Deliverables that have not satisfied the relevant Test Success Criteria.]]*

OR

[This Milestone Achievement Certificate is granted pursuant to Paragraph 13.1 of Schedule 14 (*Testing Procedures*) of the Contract on the condition that any Test Issues are remedied in accordance with the Rectification Plan attached to this certificate.]*

[You may now issue an invoice in respect of the Milestone Payment associated with this Milestone in accordance with the provisions of Schedule 15 (*Charges and Invoicing*)]*

**delete as appropriate*

Yours faithfully

[Name]

[Position]

acting on behalf of [Authority]

Annex 4: Test Success Criteria

1. Tests to be Achieved in order to Achieve the ATP Milestone

Test	Pre-conditions*	Test Success Criteria
Validate inbound mail is opened, scanned, indexed, stored as per Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale	Prior to the test commencing the test environment should be 'clean' such that no data exists. The testing is to be performed using documents/data where the expected output is known.	Evidenced that each step of the process is performed in accordance with Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale and the output of each step is accurate
Validate valuables received within mail are processed as per Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale	Prior to the test commencing the test environment should be 'clean' such that no data exists. The testing is to be performed using documents/data/valuables where the expected output is known.	Evidence to demonstrate valuables are handled in accordance with the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale
Validate inbound email is opened, scanned, indexed, stored as per Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale	Prior to the test commencing the test environment should be 'clean' such that no data exists. The testing is to be performed using documents/data where the expected output is known.	Evidenced that each step of the process is performed in accordance with Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale and the output of each step is accurate
Validate that any artefacts held in the short-term storage are deleted as per the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale	Documents to exist within short term storage facility for the maximum period before deletion test is run	Evidence of deletion in line with requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale
Validate that the Metadata attached to inbound mail meets the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale	Test data will consist of mail targeting all benefit lines	Evidence of metadata meeting the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale for all benefit lines and encompassing all common document types as defined by each benefit area.

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Test	Pre-conditions*	Test Success Criteria
Validate that the Metadata attached to inbound email meets for the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale	Test data will consist of email targeting all benefit lines	Evidence of metadata meeting the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale for all benefit lines and encompassing all common document types as defined by each benefit area.
Validate that a sample of inbound mail with a target destination of the ECMS evidence store is processed in accordance with the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale and is available to view from the correct customer account. This will be an end-to-end test	Test data will consist of mail targeting all benefit lines that are served from the ECMS evidence store	Evidence of inbound mail documents being processed end-to-end meeting the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale for all benefit lines supported by ECMS evidence store and encompassing all common document types as defined by the Authority ECMS team.
Validate that a sample of inbound mail with a target destination of the CMS is processed in accordance with the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale and is available to view from the correct customer account. This will be an end-to-end test	Test data will consist of mail targeting all benefit lines that are served from the CMG	Evidence of inbound mail documents being processed end-to-end meeting the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale for all benefit lines supported by CMG and encompassing all common document types as defined by the Authority CMS team.
Validate that a sample of inbound mail with a target destination of DfCNI is processed in accordance with the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale and is available to view from the correct customer account. This will be an end-to-end test.	Test data will consist of mail targeting all benefit lines that are served from the DfCNI	Evidence of inbound mail documents being processed end-to-end meeting the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale for all benefit lines supported by DfCNI and encompassing all common document types as defined by the Authority DfCNI and IAG teams.
Validate that a sample of inbound mail with a target destination of DMS is	Test data will consist of mail targeting all benefit	Evidence of inbound mail documents being processed end-to-end meeting the requirements of Schedule 2:

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Test	Pre-conditions*	Test Success Criteria
processed in accordance with the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale and is available to view from the correct customer account. This will be an end-to-end test.	lines that are served from DMS	Services Description and MCD Annex 1 - Technical Requirements Rationale for all benefit lines supported by DMS and encompassing all common document types as defined by the Authority DMS team.
Validate that a sample of inbound email with a target destination of the ECMS evidence store is processed in accordance with the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale and is available to view from the correct customer account. This will be an end-to-end test	Test data will consist of email targeting all benefit lines that are served from the ECMS evidence store	Evidence of inbound email documents being processed end-to-end meeting the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale for all benefit lines supported by ECMS evidence store and encompassing all common document types as defined by the Authority ECMS team.
Validate that a sample of inbound email with a target destination of the CMG is processed in accordance with the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale and is available to view from the correct customer account. This will be an end-to-end test	Test data will consist of email targeting all benefit lines that are served from the CMG	Evidence of inbound email documents being processed end-to-end meeting the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale for all benefit lines supported by CMG and encompassing all common document types as defined by the Authority CMG team.
Validate that a sample of inbound email with a target destination of DfCNI is processed in accordance with the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale and is available to view from the correct customer account. This will be an end-to-end test.	Test data will consist of email targeting all benefit lines that are served from the DfCNI	Evidence of inbound email documents being processed end-to-end meeting the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale for all benefit lines supported by DfCNI and encompassing all common document types as defined by the Authority DfCNI and IAG teams.

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Test	Pre-conditions*	Test Success Criteria
Validate that a sample of inbound email with a target destination of DMS is processed in accordance with the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale and is available to view from the correct customer account. This will be an end-to-end test.	Test data will consist of email targeting all benefit lines that are served from DMS	Evidence of inbound email documents being processed end-to-end meeting the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale for all benefit lines supported by DMS and encompassing all common document types as defined by the Authority DMS team.
Validate that image scan quality meets the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale	Test data to consist of sample of letters and attachments consistent with those received by the Authority using low quality and high quality documents.	Evidence that good quality images are not digitally enhanced. Evidence that low quality document image quality can be enhanced. Evidence that low quality documents that cannot be enhanced are rejected All evidence to demonstrate compliance with with Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale
Validate that a batch equivalent to peak +20% of documents by volume of inbound mail targeting ECMS can be processed end-to-end within acceptable timelines and in accordance with the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale	ECMS to define the peak +20% value to be used for the test. Supplier or ECMS to provide sample documents to be used for test No other tests running at time of test	Evidence of processing timeline meets the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale ECMS validate that the documents are received and processed within FIMS and a sample are retrievable from evidence store using customer account
Validate that a batch equivalent to peak +20% of documents by volume of inbound mail targeting CMG can be processed end-to-end within acceptable timelines and in accordance with the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale	CMG to define the peak +20% value to be used for the test. Supplier or CMG to provide sample documents to be used for test No other tests running at time of test	Evidence of processing timeline meets the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale CMG validate that the documents are received and processed and a sample are retrievable using customer account

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Test	Pre-conditions*	Test Success Criteria
Validate that a batch equivalent to peak +20% of documents by volume of inbound mail targeting DfCNI can be processed end-to-end within acceptable timelines and in accordance with the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale	DfCNI to define the peak +20% value to be used for the test. Supplier or DfCNI to provide sample documents to be used for test No other tests running at time of test	Evidence of processing timeline meets the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale DfCNI validate that the documents are received and processed and a sample are retrievable using customer account
Validate that a batch equivalent to peak +20% of documents by volume of inbound mail targeting DMS can be processed end-to-end within acceptable timelines and in accordance with the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale	DMS to define the peak +20% value to be used for the test. Supplier or DMS to provide sample documents to be used for test No other tests running at time of test	Evidence of processing timeline meets the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale DMS validate that the documents are received and processed and a sample are retrievable using customer account
Validate that a batch equivalent to peak +20% of documents by volume of inbound email targeting ECMS can be processed end-to-end within acceptable timelines and in accordance with the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale	ECMS to define the peak +20% value to be used for the test. Supplier or ECMS to provide sample documents to be used for test No other tests running at time of test	Evidence of processing timeline meets the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale ECMS validate that the documents are received and processed within FIMS and a sample are retrievable from evidence store using customer account
Validate that a batch equivalent to peak +20% of documents by volume of inbound email targeting CMG can be processed end-to-end within acceptable timelines and in accordance with the requirements of Schedule 2: Services Description and	CMG to define the peak +20% value to be used for the test. Supplier or CMG to provide sample documents to be used for test No other tests running at time of test	Evidence of processing timeline meets the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale CMG validate that the documents are received and processed and a sample are retrievable using customer account

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Test	Pre-conditions*	Test Success Criteria
MCD Annex 1 - Technical Requirements Rationale		
Validate that a batch equivalent to peak +20% of documents by volume of inbound email targeting DfCNI can be processed end-to-end within acceptable timelines and in accordance with the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale	DfCNI to define the peak +20% value to be used for the test. Supplier or DfCNI to provide sample documents to be used for test No other tests running at time of test	Evidence of processing timeline meets the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale DfCNI validate that the documents are received and processed and a sample are retrievable using customer account
Validate that a batch equivalent to peak +20% of documents by volume of inbound email targeting DMS can be processed end-to-end within acceptable timelines and in accordance with the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale	DMS to define the peak +20% value to be used for the test. Supplier or DMS to provide sample documents to be used for test No other tests running at time of test	Evidence of processing timeline meets the requirements of Schedule 2: Services Description and MCD Annex 1 - Technical Requirements Rationale DMS validate that the documents are received and processed and a sample are retrievable using customer account
OAT to validate system stability and recovery when system components and integrations fail	The Supplier and the Authority to agree the OAT test plan and expected outcomes. The Authority to witness test the execution of OAT. All OAT tests to be run with data processing through the system and component (s) under test. Separate tests per critical component.	OAT completion report showing tests run/not run with analysis of findings. Approved by the Authority prior to running bulk tests.
Simulate AWS primary zone unavailable	Have ability to disable primary zone	Target another AWS availability zone and transfer batch file successfully
Interruption in Batch transfer due to network failure, transfer resumes when network restored and is processed successfully	Large batch file is interrupted during transfer	The batch file is successfully processed

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Test	Pre-conditions*	Test Success Criteria
ITHC report		The Authority review and accept the ITHC report
Confirm Accessibility compliance with WCAG 2.2AA	The authority to provide document templates for reporting of Accessibility compliance	Accessibility Statement (if applicable) WCAG 2.2AA compliance report Dragon, JAWS, Zoomtext compliance report
Accessibility tagging	Test documents to be selected based upon different accessibility tagging features to be tested	A number of documents are assessed and meet the requirements for Accessibility tagging All documents under test are found to be compatible with Dragon, JAWS, Zoomtext Verification that all modified documents meet the WCAG 2.2AA standard
UAT test phase for each business area	Each business area to define their UAT test plan at least 4 weeks in advance of test execution	Sign off UAT by each business area
All P1 and P2 defects resolved and a resolution plan for P3 and P4 defects		Defect report showing there are no outstanding P1 or P2 defects and a resolution plan for P3 and P4 defects

2. Tests to be Achieved in order to Achieve a CPP Milestone

CPP Milestone Charge No.	Test	Test Success Criteria
M8 – Tranche Transition Plan - Tranche 1	Tranche 1 FAT test plan	All tests within the FAT test plan for Tranche 1 are successful
M8 – Tranche Transition Plan - Tranche 1	Tranche 1 UAT test plan	All tests within the UAT test plan for Tranche 1 are successful or approved to defer. Sign off UAT by each business area. Indexing accuracy at National Insurance Number (NINO) level or other relevant reference number is measured against Customer NINO or other relevant reference number. Classification of the outputs are in accordance with the requirements of Schedule 2 – Services Description and IBR framework.
M8 – Tranche Transition Plan - Tranche 1	Tranche 1 Defects - All P1 and P2 defects resolved and a	Defect report showing there are no outstanding P1 or P2 defects and a resolution plan for P3 and P4 defects

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CPP Milestone Charge No.	Test	Test Success Criteria
	resolution plan for P3 and P4 defects	
M9 – Tranche Transition Plan - Tranche 2	Tranche 2 FAT test plan	All tests within the FAT test plan for Tranche 2 are successful
M9 – Tranche Transition Plan - Tranche 2	Tranche 2 UAT test plan	All tests within the UAT test plan for Tranche 2 are successful or approved to defer. Sign off UAT by each business area. Indexing accuracy at National Insurance Number (NINO) level or other relevant reference number is measured against Customer NINO or other relevant reference number. Classification of the outputs are in accordance with the requirements of Schedule 2 – Services Description and IBR framework.
M9 – Tranche Transition Plan - Tranche 2	Tranche 2 Defects - All P1 and P2 defects resolved and a resolution plan for P3 and P4 defects	Defect report showing there are no outstanding P1 or P2 defects and a resolution plan for P3 and P4 defects
M10 – Tranche Transition Plan - Tranche 3	Tranche 3 FAT test plan	All tests within the FAT test plan for Tranche 3 are successful
M10 – Tranche Transition Plan - Tranche 3	Tranche 3 UAT test plan	All tests within the UAT test plan for Tranche 3 are successful or approved to defer. Sign off UAT by each business area. Indexing accuracy at National Insurance Number (NINO) level or other relevant reference number is measured against Customer NINO or other relevant reference number. Classification of the outputs are in accordance with the requirements of Schedule 2 – Services Description and IBR framework.
M10 – Tranche Transition Plan - Tranche 3	Tranche 3 Defects - All P1 and P2 defects resolved and a resolution plan for P3 and P4 defects	Defect report showing there are no outstanding P1 or P2 defects and a resolution plan for P3 and P4 defects

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CPP Milestone Charge No.	Test	Test Success Criteria
M11 – Tranche Transition Plan - Tranche 4	Tranche 4 FAT test plan	All tests within the FAT test plan for Tranche 4 are successful
M11 – Tranche Transition Plan - Tranche 4	Tranche 4 UAT test plan	All tests within the UAT test plan for Tranche 4 are successful or approved to defer. Sign off UAT by each business area. Indexing accuracy at National Insurance Number (NINO) level or other relevant reference number is measured against Customer NINO or other relevant reference number. Classification of the outputs are in accordance with the requirements of Schedule 2 – Services Description and IBR framework.
M11 – Tranche Transition Plan - Tranche 4	Tranche 4 Defects - All P1 and P2 defects resolved and a resolution plan for P3 and P4 defects	Defect report showing there are no outstanding P1 or P2 defects and a resolution plan for P3 and P4 defects
M13 – Tranche Transition Plan - Tranche 5	Tranche 5 FAT test plan	All tests within the FAT test plan for Tranche 5 are successful
M13 – Tranche Transition Plan - Tranche 5	Tranche 5 UAT test plan	All tests within the UAT test plan for Tranche 5 are successful or approved to defer. Sign off UAT by each business area. Indexing accuracy at National Insurance Number (NINO) level or other relevant reference number is measured against Customer NINO or other relevant reference number. Classification of the outputs are in accordance with the requirements of Schedule 2 – Services Description and IBR framework.
M13 – Tranche Transition Plan - Tranche 5	Tranche 5 Defects - All P1 and P2 defects resolved and a resolution plan for P3 and P4 defects	Defect report showing there are no outstanding P1 or P2 defects and a resolution plan for P3 and P4 defects
M14 – Tranche Transition Plan - Tranche 6	Tranche 6 FAT test plan	All tests within the FAT test plan for Tranche 6 are successful

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CPP Milestone Charge No.	Test	Test Success Criteria
M14 – Tranche Transition Plan - Tranche 6	Tranche 6 UAT test plan	All tests within the UAT test plan for Tranche 6 are successful or approved to defer. Sign off UAT by the business area. Indexing accuracy at National Insurance Number (NINO) level or other relevant reference number is measured against Customer NINO or other relevant reference number. Classification of the outputs are in accordance with the requirements of Schedule 2 – Services Description and IBR framework.
M14 – Tranche Transition Plan - Tranche 6	Tranche 6 Defects - All P1 and P2 defects resolved and a resolution plan for P3 and P4 defects	Defect report showing there are no outstanding P1 or P2 defects and a resolution plan for P3 and P4 defects
M15 – Tranche Transition Plan - Tranche 7	Tranche 7 FAT test plan	All tests within the FAT test plan for Tranche 7 are successful
M15 – Tranche Transition Plan - Tranche 7	Tranche 7 UAT test plan	All tests within the UAT test plan for Tranche 7 are successful or approved to defer. Sign off UAT by the business area. Indexing accuracy at National Insurance Number (NINO) level or other relevant reference number is measured against Customer NINO or other relevant reference number. Classification of the outputs are in accordance with the requirements of Schedule 2 – Services Description and IBR framework.
M15 – Tranche Transition Plan - Tranche 7	Tranche 7 Defects - All P1 and P2 defects resolved and a resolution plan for P3 and P4 defects	Defect report showing there are no outstanding P1 or P2 defects and a resolution plan for P3 and P4 defects
M16 – Tranche Transition Plan - Tranche 8	Tranche 8 FAT test plan	All tests within the FAT test plan for Tranche 8 are successful
M16 – Tranche Transition Plan - Tranche 8	Tranche 8 UAT test plan	All tests within the UAT test plan for Tranche 8 are successful or approved to defer. Sign off UAT by each business area.

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CPP Milestone Charge No.	Test	Test Success Criteria
		Indexing accuracy at National Insurance Number (NINO) level or other relevant reference number is measured against Customer NINO or other relevant reference number. Classification of the outputs are in accordance with the requirements of Schedule 2 – Services Description and IBR framework.
M16 – Tranche Transition Plan - Tranche 8	Tranche 8 Defects - All P1 and P2 defects resolved and a resolution plan for P3 and P4 defects	Defect report showing there are no outstanding P1 or P2 defects and a resolution plan for P3 and P4 defects
M17 – Tranche Transition Plan - Tranche 9	Tranche 9 FAT test plan	All tests within the FAT test plan for Tranche 9 are successful
M17 – Tranche Transition Plan - Tranche 9	Tranche 9 UAT test plan	All tests within the UAT test plan for Tranche 9 are successful or approved to defer. Sign off UAT by the business area. Indexing accuracy at National Insurance Number (NINO) level or other relevant reference number is measured against Customer NINO or other relevant reference number. Classification of the outputs are in accordance with the requirements of Schedule 2 – Services Description and IBR framework.
M17 – Tranche Transition Plan - Tranche 9	Tranche 9 Defects - All P1 and P2 defects resolved and a resolution plan for P3 and P4 defects	Defect report showing there are no outstanding P1 or P2 defects and a resolution plan for P3 and P4 defects

Schedule 15

Charges and Invoicing

Schedule 15: Charges and Invoicing

1. Definitions

1.1 In this Schedule, the following definitions shall apply:

“Achieved Profit Margin” the cumulative Supplier Profit Margin calculated from (and including) the Effective Date (or, if applicable, the date of the last adjustment to the Charges made pursuant to Paragraph 2.3 of Part D) to (and including) the last day of the previous Contract Year;

“Anticipated Contract Life Profit Margin” the anticipated Supplier Profit Margin over the Term as reflected in the Financial Model;

“Certificate of Costs” a certificate of costs signed by the Supplier’s Chief Financial Officer or Director of Finance (or equivalent as agreed in writing by the Authority in advance of issue of the relevant certificate) and substantially in the format set out in Annex 3;

Completion of Relevant Transition Period Means:

- (a) For Digital Mailroom 30 January 2026;
- (b) For Records Management 31 October 2026; and
- (c) For Envelope Level Sortation 1 July 2026

“Costs” the following costs (without double recovery) to the extent that they are reasonably and properly incurred by the Supplier in providing the Services:

- (a) the cost to the Supplier or the Key Sub-contractor (as the context requires), calculated per Work Day, of engaging the Supplier Personnel, including:
 - (i) base salary paid to the Supplier Personnel;
 - (ii) employer’s national insurance contributions;
 - (iii) Employer Pension Contributions;
 - (iv) car allowances;
 - (v) any other contractual employment benefits;
 - (vi) staff training;
 - (vii) work place accommodation;
 - (viii) work place IT equipment and tools reasonably necessary to perform the Services (but not

including items included within limb (b) below);
and

- (ix) reasonable recruitment costs, as agreed with the Authority;
- (b) costs incurred in respect of those Assets which are detailed on the Registers and which would be treated as capital costs according to generally accepted accounting principles within the UK, which shall include the cost to be charged in respect of Assets by the Supplier to the Authority or (to the extent that risk and title in any Asset is not held by the Supplier) any cost actually incurred by the Supplier in respect of those Assets;
- (c) operational costs which are not included within (a) or (b) above, to the extent that such costs are necessary and properly incurred by the Supplier in the delivery of the Services;
- (d) Forecast Contingency Costs;

but excluding:

- (i) Overhead;
- (ii) financing or similar costs;
- (iii) maintenance and support costs to the extent that these relate to maintenance and/or support services provided beyond the Term, whether in relation to Assets or otherwise;
- (iv) taxation;
- (v) fines and penalties;
- (vi) amounts payable under Schedule 17 (*Benchmarking*); and
- (vii) non-cash items (including depreciation, amortisation, impairments and movements in provisions);

“the Employer Pension Contributions” means:

- (a) in respect of CSPS Eligible Employees those sums set out at Clauses 7.1.1 (*annual administration charges covering core services*), 7.1.5 (*employer contributions*), 7.1.7 (*the ASLC*) and 7.1.8 (*flat charges applicable to the Partnership Pension Account*) of the Admission Agreement;

- (b) in respect of NHSPS Eligible Employees, the standard employer contribution rate applicable to NHS Pension Scheme employers during the Term and payable by the Supplier (but no other costs, contributions, charges or surcharges payable by the Supplier to or in respect of the NHS Pension Scheme or in respect of any NHS Premature Retirement Rights, unless otherwise agreed in writing by the Authority);
- (c) in respect of LGPS Eligible Employees the standard employer contribution rate applicable to LGPS Eligible Employees during the Term and payable by the Supplier (but no other costs, contributions, charges or surcharges payable by the Supplier to or in respect of the LGPS or in respect of any Beckmann Liabilities, unless otherwise agreed in writing by the Authority); and

such other employer pension contributions, charges or costs incurred by the Supplier which have been expressly agreed by the Authority in writing to constitute 'Employer Pension Contributions';

"European Standard"	in relation to an electronic invoice means the European standard and any of the syntaxes published in Commission Implementing Decision (EU) 2017/1870.
"Exit Costs"	has the meaning given to it in Paragraph 7 of Part B of this Schedule 15;
"Forecast Contingency Costs"	the costs which the Supplier forecasts may be incurred in relation to the risks and contingencies that are identified in the Risk Register, such costs being those set out in the column headed 'Forecast Contingency Costs' in the Risk Register (as such costs are updated from time to time);
"Indexation" and "Index"	the adjustment of an amount or sum in accordance with Paragraph 5 of Part C;
"Living Wage"	the national minimum wage as set out in the National Minimum Wage Act 1998, as amended from time to time;
"Location"	A redundancy or redundancies that are reasonably necessary due to a change in the location from which Services are to be delivered;
"Maximum Permitted Profit Margin"	the Anticipated Contract Life Profit Margin plus 2%;
"Milestone Retention"	has the meaning given in Paragraph 1.5 of Part B;

“Milestone Retention Fund”	has the meaning given in Paragraph 1.6 of Part B (Charging Mechanisms) of this Schedule 15;
“Overhead”	those amounts which are intended to recover a proportion of the Supplier’s or the Key Sub-contractor’s (as the context requires) indirect corporate costs (including financing, marketing, advertising, research and development and insurance costs and any fines or penalties) but excluding allowable indirect costs apportioned to facilities and administration in the provision of Supplier Personnel and accordingly included within limb (a) of the definition of “Costs” or the day cost set out in Table 3 of Annex 1;
“Payment Milestone”	a Milestone identified as a Payment Milestone in the table 1A in Annex 2 (Payment Milestones and, Milestone Payments) to this Schedule 15;
“Redundant Transferring Former Supplier Employee”	means any Transferring Former Supplier Employees, i.e., those expected to transfer to the Supplier under TUPE, and anyone so expected to transfer had the incumbent not become the Supplier in respect of whom the Authority confirms that the TUPE Redundancy Cost Conditions have been met;
“Service Charges”	means the charges calculated in accordance with Paragraph 2 of Part B of this Schedule 15 (Charges and Invoicing);
“Supplier Profit”	in relation to a period or a Milestone (as the context requires), the difference between the total Charges (in nominal cash flow terms but excluding any Deductions) and total Costs (in nominal cash flow terms) for the relevant period or in relation to the relevant Milestone;
“Supplier Profit Margin”	in relation to a period or a Milestone (as the context requires), the Supplier Profit for the relevant period or in relation to the relevant Milestone divided by the total Charges over the same period or in relation to the relevant Milestone and expressed as a percentage;
“Supporting Documentation”	sufficient information in writing to enable the Authority reasonably to assess whether the Charges, Reimbursable Expenses and other sums due from the Authority detailed in the information are properly payable, including copies of any applicable Milestone Achievement Certificates or receipts and details of any Exit Costs incurred;
“Time Based Charges”	has the meaning given to it in Paragraph 6 of Part B of this Schedule 15;

“TUPE Redundancy Costs”	<p>means, in respect of any staff identified prior to transfer as Redundant Transferring Former Supplier Employee:</p> <ul style="list-style-type: none">(a) statutory redundancy payments as defined and calculated in accordance with section 162 Employment Rights Act 1996 in respect of the termination of their employment by reason of redundancy (as defined in S139 of the Employment Rights Act 1996) in relation to their continuous service up to the date of such redundancy dismissal;(b) any contractual redundancy pay entitlement the liability for which transferred to the Supplier by virtue of TUPE or where the incumbent became the Supplier any contractual redundancy pay entitlement (provided this was agreed at least 6 Months before the start of the Contract), and to the extent that such contractual redundancy pay entitlement exceeds any statutory redundancy pay entitlement;(c) where the redundancy is due to Location and where the Authority has confirmed that it is not reasonably to require the Redundant Transferring Former Supplier Employee to work from the date of either the Relevant Transfer or the date that would have been the Relevant Transfer had the incumbent not been successful, basic salary costs for the period until notice of termination has been given, subject to a maximum of 20 Working Days; and(d) where the redundancy is due to Location and where the Authority has confirmed that it is not reasonably to require the Redundant Transferring Former Supplier Employee to work all or part of their notice period, in respect of such employee either a sum equivalent to statutory notice entitlement or if higher contractual notice period, based on terms in force before the expected Relevant Transfer Date, or the date that would have been the Relevant Transfer had the incumbent not been successful for such period of notice as was not worked;
“TUPE Redundancy Costs Cap”	<p>the applicable cap set out in Table 4 in Annex 1 to this Schedule 15. Where no cost is submitted, the amount shall be deemed to be zero;</p>
“TUPE Redundancy Costs Conditions”	<p>has the meaning given to it in Paragraph 8.1 of Part B of this Schedule 15;</p>
“Volume Based Charges”	<p>has the meaning given to it in Paragraph 2.3 of Part B of this Schedule 15;</p>

“Work Day”

7.5 Work Hours, whether or not such hours are worked consecutively and whether or not they are worked on the same day; and

“Work Hours”

the hours spent by the Supplier Personnel properly working on the Services including time spent travelling (other than to and from the Supplier’s offices, or to and from the Sites) but excluding lunch breaks.

Part A: Pricing

1. Applicable Pricing Mechanism

- 1.1 Except as is agreed by the Parties pursuant to the Change Control Procedure including Charges for Innovation Initiatives, the only Charges payable by the Authority in respect of the performance by the Supplier of its obligations under this Contract are:
- 1.1.1 Milestone Payments payable in accordance with Paragraph 1 of Part B of this Schedule;
 - 1.1.2 Service Charges payable in accordance with Paragraph 2 of Part B of this Schedule;
 - 1.1.3 Exit Costs payable in accordance with Paragraph 7 of Part B of this Schedule; and
 - 1.1.4 TUPE Redundancy Costs payable in accordance with Paragraph 8 of Part B of this Schedule.

Part B: Charging Mechanisms

1. Milestone Payments

- 1.1 The Milestone Payments are charged on a capped fee basis and the applicable caps for each Milestone are set out in table 8 (Set Up/Milestone Costs) at Annex 1 (Pricing Mechanism) to this Schedule 15. The Supplier shall only be entitled to be paid Charges for a Milestone that have been properly and reasonably incurred and, in any event, shall not be paid any sums that exceed the applicable caps for activities and items relating to that Milestone.
- 1.2 On the Achievement of a Payment Milestone the Supplier shall be entitled to invoice the Authority for the Milestone Payment associated with that Payment Milestone less the applicable Milestone Retention in accordance with this Part B.
- 1.3 Each invoice relating to a Milestone Payment shall be supported by:
 - 1.3.1 a Milestone Achievement Certificate; and
 - 1.3.2 all relevant Supporting Documentation.
- 1.4 The Milestone Payments shall not be subject to Indexation. The Milestone Payment caps shall be subject to Indexation.
- 1.5 The "Milestone Retention" deducted from each Milestone shall be 15% of the Charges for that Milestone.

Release of Milestone Retentions

- 1.6 Each Milestone Retention deducted from a Milestone Payment shall be combined with previous Milestone Retention(s) deducted from Milestone Payment(s) relating to Payment Milestone(s) which have already been Achieved by the Supplier to form the "Milestone Retention Fund".
- 1.7 On Achievement of a CPP Milestone, the Supplier shall be entitled to invoice the Authority for an amount equal to 10% of the value of the Milestone Retention Fund as at the date immediately prior to Achievement of the relevant CPP Milestone.
- 1.8 On Achievement of the final CPP Milestone, the Supplier shall be entitled to invoice the Authority for an amount equal to the remaining value of the Milestone Retention Fund.

2. Service Charges

- 2.1 Each Service to which a Service Charge relates shall commence on the relevant Operational Service Commencement Date.
- 2.2 The Service Charges shall be payable by the Authority to the Supplier and shall comprise the Volume Based Service Charges calculated in accordance with Paragraph 2.3 below.
- 2.3 **Volume Based Service Charges.**

- 2.3.1 Where Table 2 of Annex 1 indicates that a Service Charge is to be calculated by reference to a Volume Based pricing mechanism, the relevant Charges shall be calculated on the basis of the unit costs set out against that Service

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Charge in Table 2 of Annex 1 within the applicable volume band.

2.3.2 Subject to Paragraph 5.3 of Part C, the Charge per unit set out in Table 2 of Annex 1 shall be subject to Indexation.

2.4 Following the first Operational Service Commencement Date, Service Charges shall be invoiced by the Supplier for each Service Period in arrears in accordance with the requirements of Part E (Invoicing and Payment Terms).

2.5 If a Service Charge:

2.5.1 commences on a day other than the first day of a Month; and/or

2.5.2 ends on a day other than the last day of a Month,

the Service Charge for the relevant Service Period shall be pro-rated based on the proportion which the number of days in the Month for which the Service is provided bears to the total number of days in that Month.

Service Credits

2.6 Any Service Credits that accrue during a Service Period shall be deducted from the Service Charges payable for the next following Service Period. An invoice for a Service Charge shall not be payable by the Authority unless all adjustments (including Service Credits) relating to the Service Charges for the immediately preceding Service Period have been agreed.

2.7 Service Credits shall be applied against the Service Charges in accordance with Paragraph 3 of Part C (Adjustments to the Charges) of this Schedule 15.

3. Not used

4. No Minimum Spend

4.1 The Supplier acknowledges, agrees and has submitted its tender on the understanding that:

4.1.1 the Authority gives no warranty, representation or guarantee as to the levels, volumes or value of the Services required under this Contract

4.1.2 any volumes or levels referred to in this Contract are indicative only and shall not be binding on the Authority; and/or

4.1.3 the Authority is not required to make any minimum spend, nor to order a minimum volume of Services or any part thereof, under this Contract

5. Charges for Innovation Initiatives

5.1 Innovation Initiatives shall be delivered in the following four stages:

5.1.1 Inception stage;

5.1.2 Discovery stage;

5.1.3 Delivery stage; and

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5.1.4 Benefits Realisation stage.

- 5.2 The Supplier shall not be entitled to any Charges for the Services performed during the Inception stage.
- 5.3 If the proposal provided by the Supplier during the Inception stage is approved by the Authority, and the Innovation Initiative proceeds to the Discovery stage, the Services performed during the Discovery stage shall be calculated by reference to the Time Based pricing mechanism set out in Paragraph 6 of this Part B and subject to an agreed cap as implemented in accordance with the Change Control Procedure. Payment shall be made to the Supplier in accordance with Part E of this Schedule 15 (Invoicing and Payment Terms).
- 5.4 The Services performed during the Delivery stage shall be charged on a single fixed price basis as set out in the approved proposal for the Innovation Initiative. Payment shall be made to the Supplier in accordance with Part E of this Schedule 15 (Invoicing and Payment Terms).
- 5.5 The financial benefits and savings identified in the approved proposal for the Innovation Initiative shall be guaranteed and payable to the Authority on completion of the Delivery stage. The guaranteed financial benefits and savings shall either be payable to the Authority as:
- 5.5.1 an on-going reduction to the unit charges in Table 2 of Annex 1; and/or
 - 5.5.2 a one-off deduction from the Service Charges payable in respect of the next following Service Period after completion of the Innovation Initiative,
- and the payment method shall be set out in the proposal.

6. Time Based Charges

- 6.1 Where the Parties agree in writing that a particular Charge is to be calculated by reference to a Time Based pricing mechanism (e.g., pursuant to a Contract Change or for Services performed during the discovery stage of an Innovation Initiative):
- 6.1.1 the hourly rates set out in table 1 in Annex 1 (Rate Card) to this Schedule 15 shall be used to calculate the relevant Charges, provided that the Supplier (or its Sub-Contractor) shall:
 - (a) not be entitled to include any uplift for risks or contingencies within its hourly rates;
 - (b) not be paid any Charges to the extent that they would otherwise exceed any cap on such Charges agreed in writing by the Parties unless the Supplier has obtained the Authority's prior written consent. The Supplier shall monitor the amount of each Charge incurred in relation to the relevant cap and notify the Authority immediately in the event of any risk that the cap may be exceeded and the Authority shall instruct the Supplier on how to proceed;
 - (c) only be entitled to be paid Charges that have been properly and reasonably incurred, taking into account the Supplier's obligation to deliver the Services in a proportionate and efficient manner; and

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- 6.1.2 the Supplier shall keep records of hours properly worked by Supplier Personnel (in the form of timesheets) incurred and submit a summary of the relevant records with each invoice. If the Authority requests copies of such records, the Supplier shall make them available to the Authority within ten (10) Working Days of the Authority request.

6.2 Time Based Charges shall be subject to Indexation.

7. Exit Costs

- 7.1 The Exit Costs are charged on a capped fee basis and the exit activities for which Exit Costs will be payable and the applicable caps for each such exit activity are set out in table 3 in Annex 1 to this Schedule 15. The Supplier shall only be entitled to be paid Exit Costs for exit activities that are set out in table 3 of Annex 1 and that have been properly and reasonably incurred and, in any event, shall not be paid any sums that exceed the applicable cap for that exit activity.
- 7.2 On completion of the exit activity to the reasonable satisfaction of the Authority the Supplier shall be entitled to invoice the Authority for the relevant Exit Costs. Payment shall be made to the Supplier in accordance with Part E of this Schedule 15 (Invoicing and Payment Terms)
- 7.3 Each invoice relating to Exit Costs shall be supported by all relevant Supporting Documentation.
- 7.4 Subject to Paragraph 5.3 of Part C, the Exit Costs caps shall be subject to Indexation.

8. TUPE Redundancy Costs

- 8.1 The Authority will pay (separately outside the Service Charges), the actual TUPE Redundancy Costs incurred by the Supplier and capped at the relevant TUPE Redundancy Costs Cap subject to, and conditional on, the Supplier demonstrating to the Authority's satisfaction that the following conditions (the "**TUPE Redundancy Costs Conditions**") have been met:
 - 8.1.1 redundancy as defined in S139 of the Employment Rights Act 1996 and such redundancy was for an economic, technical or organisational reason entailing changes in the workforce where such dismissal results directly from the relevant Operational Service Commencement Date or was the genuine primary reason for dismissal of the relevant of a Redundant Transferring Former Supplier Employee by the Supplier;
 - 8.1.2 in respect of whom the Supplier has followed a fair dismissal procedure and complied fully with all applicable contractual and statutory requirements;
 - 8.1.3 the Supplier has obtained the Authority's prior written agreement to both the numbers of Redundant Transferring Former Supplier Employee to be made redundant and their roles (i.e., in respect of which activities) and has consulted with the Authority in advance of starting any redundancy consultation with Redundant Transferring Former Supplier Employee and/or their representatives;
 - 8.1.4 the Supplier has evidenced to the Authority's satisfaction, in advance of the commencement of any redundancy consultation(s), that it has taken all necessary steps to mitigate the number of Redundant Transferring Former

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Supplier Employee(s) to be made redundant and to redeploy and retain such employees who would otherwise be made redundant;

- 8.1.5 where the redundancy is due to Location, the effective date of termination of employment of the relevant Redundant Transferring Former Supplier Employee in respect of whom TUPE Redundancy Costs are claimed is or was within the three (3) Month period immediately following the Relevant Transfer or the date that would have been the Relevant Transfer had the incumbent not been successful; and where the redundancy is due to a permitted reason as set out in sub-paragraph 8.1.1 above other than Location, the effective date of termination of employment of the relevant Redundant Transferring Former Supplier Employee in respect of whom TUPE Redundancy Costs are claimed is or was within the three (3) Month period immediately following the Completion of Relevant Transition Period
 - 8.1.6 the Supplier has provided written estimates of the TUPE Redundancy Costs for each relevant Redundant Transferring Former Supplier Employee to the Authority and the Authority has approved each such estimate in advance of the commencement of any redundancy consultation(s); and
 - 8.1.7 if the Supplier re-employs or re-engages any Redundant Transferring Former Supplier Employee within 18 Months of the date on which such Redundant Transferring Former Supplier Employee's employment with the Supplier terminated, the Supplier shall promptly notify the Authority in writing and hereby irrevocably agrees to reimburse the TUPE Redundancy Costs paid in respect of such employee
- 8.2 Each invoice relating to TUPE Redundancy Costs shall be supported by all relevant Supporting Documentation. Payment shall be made to the Supplier in accordance with Part E of this Schedule 15 (Invoicing and Payment Terms).
 - 8.3 The TUPE Redundancy Costs Cap shall not be subject to Indexation.

Part C: Adjustments To The Charges And Risk Register

1. Not used

2. Payments for Delays due to Authority Cause

2.1 If the Supplier is entitled in accordance with Clause 29.1 (*Authority Cause*) to compensation for failure to Achieve a Milestone by its Milestone Date, then, subject always to Clause 23 (*Limitations on Liability*), such compensation shall be determined in accordance with the following principles:

2.1.1 the compensation shall reimburse the Supplier for additional Costs incurred by the Supplier that the Supplier:

(a) can demonstrate it has incurred solely and directly as a result of the Authority Cause; and

(b) is, has been, or will be unable to mitigate, having complied with its obligations under Clause 29.1(*Authority Cause*)

together with an amount equal to the Anticipated Contract Life Profit Margin thereon;

2.1.2 the compensation shall not operate so as to put the Supplier in a better position than it would have been in but for the occurrence of the Authority Cause;

2.1.3 not used;

2.1.4 not used; and

2.1.5 where the Milestone Payment includes any Charges which are capped, then to the extent that the compensation agreed pursuant to this Paragraph 2 results in the Authority paying additional Time and Materials Charges for resources or effort which the Supplier demonstrates are required as a result of the Authority Cause, such additional Time and Materials Charges shall be disregarded for the purposes of calculating the relevant cap.

2.2 The Supplier shall provide the Authority with any information the Authority may require in order to assess the validity of the Supplier's claim to compensation.

3. Service Credits

3.1 Service Credits shall be calculated by reference to the number of Service Points accrued in any one Service Period pursuant to the provisions of Schedule 3 (Performance Levels).

3.2 For each Service Period:

3.2.1 the Service Points accrued shall be converted to a percentage deduction from the Service Charges for the relevant Service Period on the basis of one point equating to a 0.11% deduction in the Service Charges; and

3.2.2 the total Service Credits applicable for the Service Period shall be calculated in accordance with the following formula:

$$SC = TSP \times x \times AC$$

where:

SC is the total Service Credits for the relevant Service Period;

TSP is the total Service Points that have accrued for the relevant Service Period;

X is 0.11%; and

AC is the total Services Charges payable for the relevant Service Period (prior to deduction of applicable Service Credits).

- 3.3 The liability of the Supplier in respect of Service Credits shall be subject to Clause 23.4.3 (*Financial and other Limits*) provided that, for the avoidance of doubt, the operation of the Service Credit Cap shall not affect the continued accrual of Service Points in excess of such financial limit in accordance with the provisions of Schedule 3 (*Performance Levels*).
- 3.4 Service Credits are a reduction of the Service Charges payable in respect of the relevant Services to reflect the reduced value of the Services actually received and are stated exclusive of VAT.
- 3.5 Service Credits shall be shown as a deduction from the amount due from the Authority to the Supplier in the invoice for the Service Period immediately succeeding the Service Period to which they relate.

4. Changes to Charges

- 4.1 Any Changes to the Charges shall be developed and agreed by the Parties in accordance with Schedule 22 (*Change Control Procedure*) and on the basis that the Supplier Profit Margin on such Charges shall:
- 4.1.1 be no greater than that applying to Charges using the same pricing mechanism as at the Effective Date (as set out in the Contract Inception Report); and
 - 4.1.2 in no event exceed the Maximum Permitted Profit Margin.
- 4.2 The Authority may request that any Impact Assessment presents Charges without Indexation for the purposes of comparison.
- 4.3 The Charges are subject to adjustment for, amongst other things:
- 4.3.1 efficiencies calculated in accordance with the Annex 1 – Pricing Mechanism; and
 - 4.3.2 financial benefits and/or savings from Innovation Initiatives.
- 4.4 The adjustments for any changes to the Charges resulting from efficiencies, Innovation Initiatives and Indexation shall be applied in the following order:
- 4.4.1 Efficiency Targets as detailed in Annex 1 of this Schedule;
 - 4.4.2 Changes to the charges for Innovation Initiatives (applied from the date agreed

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relevant to that specific Innovation Initiatives); and

4.4.3 Indexation.

5. Indexation

5.1 Any amounts or sums in this Contract which are expressed to be “subject to Indexation” shall be adjusted in accordance with the provisions of this Paragraph 5 to reflect the effects of inflation.

5.2 The following costs, expenses, fees or charges included in the Charges shall not be subject to adjustment under this Paragraph 5 and shall not be included in the relevant amount or sum for the purposes of Paragraph 5.3:

5.2.1 Any costs charged by the Supplier to the Authority in respect of Assets or Authority Assets (including capital costs and installation, maintenance and support costs) which are incurred by the Supplier prior to the relevant adjustment date but which remain to be recovered through the Charges.

5.3 Notwithstanding any other provisions of this Schedule, with the exception of Paragraph 5.7 in relation to Indexation of the Milestone Payment caps and Time Based Charges, amounts or sums in this Contract (other than Milestone Payment caps and Time Based Charges) shall not be subject to Indexation during the period from the Effective Date until the next July following the relevant Operational Service Commencement Date for the Service component to which the Charges relate (the “**Non-Indexation Period**”).

5.4 With the exception of the indexation of Milestone Payment caps and Time Based Charges for which the relevant adjustment is set out in Paragraph 5.7 where indexation applies, the relevant adjustment shall be:

5.4.1 applied on the first day of July following the end of the Non-Indexation Period and on the first day of April in each subsequent year (each such date an “**adjustment date**”); and

5.4.2 determined by multiplying the relevant amount or sum by the percentage increase or changes in the Consumer Price Index published for the 12 Months ended on the 30 April immediately preceding the relevant adjustment date.

5.5 Except as set out in this Paragraph 5, neither the Charges nor any other costs, expenses, fees or charges shall be adjusted to take account of any inflation, change to exchange rate, change to interest rate or any other factor or element which might otherwise increase the cost to the Supplier or Sub-contractors of the performance of their obligations.

5.6 Where the price index referred to in Paragraph 5.4 and 5.7:

5.6.1 used to carry out an indexation calculation is updated (for example due to it being provisional) then the indexation calculation shall also be updated unless the Authority and the Supplier agree otherwise; or

5.6.2 is no longer published, the Authority and the Supplier shall agree an appropriate replacement index which shall cover to the maximum extent possible the same economic activities as the original index.

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- 5.7 Where indexation applies to the Milestone Payment caps and Time Based Charges, the relevant adjustment shall be:
- 5.7.1 applied on the first day of April 2025 and on the first day of April 2026 (each such date a “**milestone cap adjustment date**”); and
 - 5.7.2 determined by multiplying the relevant cap amount by the percentage increase or changes in the Consumer Price Index published for the 12 Months ended on the 31 January immediately preceding the relevant milestone cap adjustment date.
6. **Risk Register**
- 6.1 The Parties shall review the Risk Register set out in Annex 4 from time to time and as otherwise required for the purposes of Schedule 21 (*Governance*).
7. **Living Wage**
- 7.1 If the Supplier believes that the introduction of and compliance with any changes to the Living Wage will have a material and unavoidable effect on the base salary paid to the Supplier Personnel, employer’s national insurance contributions and/or Employer Pension Contributions relating to Supplier Personnel (“**Living Wage Costs**”), it may request a meeting with the Authority to discuss whether a commensurate increase to the Charges is justified and appropriate. The Supplier must support its request by providing evidence of the changes to the Living Wage, the impact on the Living Wage Costs and the proposed increase to the Charges.
- 7.2 The Parties shall meet as soon as reasonably practicable following the Supplier’s request to discuss and review the Supplier’s request and evidence provided. If the Authority determines in its absolute discretion that a Change to the Charges is appropriate, such Change shall be implemented in accordance with the Change Control Procedure.
- 7.3 The value of any increase to the Charges in accordance with this Paragraph 7 shall be reduced or extinguished to the extent that the Supplier has already received the Charges or the financial benefit of any other rights or remedy given under this Contract (including under Clauses 13.2 to 13.4 inclusive (Change in Law)) so that there is no double counting or double recovery by the Supplier.

Part D: Excessive Supplier Profit Margin

1. Limit on Supplier Profit Margin

- 1.1 The Supplier acknowledges that where the Achieved Profit Margin applicable in any Contract Year exceeds the Maximum Permitted Profit Margin, then the gain share mechanism set out in paragraph 2 shall apply.
- 1.2 The Supplier shall include in each Annual Contract Report the Achieved Profit Margin as at the end of the Contract Year to which the Annual Contract Report is made up and the provisions of Paragraph 2 of Part B of Schedule 19 (*Financial Reports and Audit Rights*) shall apply to the approval of the Annual Contract Report.

2. Adjustment to the Charges in the Event of Excess Supplier Profit

- 2.1 If an Annual Contract Report demonstrates (or it is otherwise determined pursuant to Paragraph 2 of Part B of Schedule 19 (*Financial Reports and Audit Rights*)) that the Achieved Profit Margin as at the end of the Contract Year to which the Annual Contract Report is made up exceeds the Maximum Permitted Profit Margin:
- 2.1.1 the level of profit achieved in each Contract Year will determine how any profit over and above the Maximum Permitted Profit Margin will be shared.
- 2.2 The baseline profit % is as per Table 2 of Annex 1 to this Schedule. Any excess profit above the Maximum Permitted Profit Margin shall be shared between the Supplier and the Authority as follows:

Achieved Profit Margin	Metric (rounded to the nearest 1 decimal place)	Share
Less than Baseline	<5.0%	Supplier retains all
Up to baseline plus 2%. The 'Maximum Permitted Profit Margin'.	5.1% to 7.0%	Supplier retains all
Between baseline plus 2% and baseline plus 5%	7.1% to 10.0%	Excess profit above 7.1% split between the Supplier and the Authority equally (50% / 50%)
Greater than baseline plus 5%	>10.1%	Excess profit between 7% and 10.1% split between the Supplier and the Authority equally (50%/50%)
	10.2% and above	Excess profit 10.2% and above returned to the Authority (Authority's share is 100%)

- 2.2.1 if the Parties cannot agree such revised adjustments and the Authority terminates this Contract by issuing a Termination Notice to the Supplier pursuant to Clause 31.1 (*Termination by the Authority*), then for the purpose of calculating

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any Compensation Payment due to the Supplier, the Termination Notice shall be deemed to have been served as at the date of receipt by the Authority of the relevant Annual Contract Report.

- 2.3 Subject to the relevant provisions of this Schedule, the Supplier shall make payment to the Authority within thirty (30) days of verifying that the gain share is valid and undisputed.
- 2.4 Unless the Parties agree otherwise in writing, all Supplier payment of gain share shall be paid in sterling by electronic transfer of funds to the bank account specified by the Authority.

Part E: Invoicing and Payment Terms

1. Supplier Invoices

- 1.1 The Authority shall accept for processing any electronic invoice that complies with the European Standard, provided that it is valid and undisputed.
- 1.2 If the Supplier proposes to submit for payment an invoice that does not comply with the European standard the Supplier shall:
 - 1.2.1 comply with the requirements of the Authority's e-invoicing system;
 - 1.2.2 prepare and provide to the Authority for approval of the format a template invoice within 10 Working Days of the Effective Date which shall include, as a minimum the details set out in Paragraph 1.3 together with such other information as the Authority may reasonably require to assess whether the Charges that will be detailed therein are properly payable; and
 - 1.2.3 make such amendments as may be reasonably required by the Authority if the template invoice outlined in 1.2.2 is not approved by the Authority.
- 1.3 The Supplier shall ensure that each invoice is submitted in the correct format for the Authority's e-invoicing system, or that it contains the following information:
 - 1.3.1 the date of the invoice;
 - 1.3.2 a unique invoice number;
 - 1.3.3 the Service Period or other period(s) to which the relevant Charge(s) relate;
 - 1.3.4 the correct reference for this Contract;
 - 1.3.5 the reference number of the purchase order to which it relates (if any);
 - 1.3.6 the dates between which the Services subject of each of the Charges detailed on the invoice were performed;
 - 1.3.7 a description of the Services;
 - 1.3.8 the pricing mechanism used to calculate the Charges (such as Volume Based Time Based);
 - 1.3.9 any payments due in respect of Achievement of a Milestone, including the Milestone Achievement Certificate number for each relevant Milestone;
 - 1.3.10 the total Charges gross and net of any applicable deductions and, separately, any VAT or other sales tax payable in respect of each of the same;
 - 1.3.11 details of any Service Credits or similar deductions that shall apply to the Charges detailed on the invoice;
 - 1.3.12 details of any efficiencies or financial benefits and savings realised from completed Innovation Initiatives;
 - 1.3.13 reference to any reports required by the Authority in respect of the Services to

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which the Charges detailed on the invoice relate (or in the case of reports issued by the Supplier for validation by the Authority, then to any such reports as are validated by the Authority in respect of the Services);

- 1.3.14 a contact name and telephone number of a responsible person in the Supplier's finance department in the event of administrative queries;
 - 1.3.15 the banking details for payment to the Supplier via electronic transfer of funds (i.e. name and address of bank, sort code, account name and number); and
 - 1.3.16 where the Services have been structured into separate Service lines, the information at 1.3.1 to 1.3.15 of this Paragraph 1.3 shall be broken down in each invoice per Service line.
- 1.4 The Supplier shall invoice the Authority in respect of Services in accordance with the requirements of Part B. The Supplier shall first submit to the Authority a draft invoice setting out the Charges payable. The Parties shall endeavour to agree the draft invoice within 5 Working Days of its receipt by the Authority, following which the Supplier shall be entitled to submit its invoice.
- 1.5 Each invoice shall at all times be accompanied by Supporting Documentation. Any assessment by the Authority as to what constitutes Supporting Documentation shall not be conclusive and the Supplier undertakes to provide to the Authority any other documentation reasonably required by the Authority from time to time to substantiate an invoice.
- 1.6 The Supplier shall submit all invoices and Supporting Documentation through the Authority's electronic system Single Operating Platform "SOP" or if that is not possible to:
[Email address redacted]
with a copy (again including any Supporting Documentation) to such other person and at such place as the Authority may notify to the Supplier from time to time.
- 1.7 All Supplier invoices shall be expressed in sterling or such other currency as shall be permitted by the Authority in writing.
- 1.8 The Authority shall regard an invoice as valid only if it complies with the provisions of this Part E. Where any invoice does not conform to the Authority's requirements set out in this Part E, the Authority shall promptly return the disputed invoice to the Supplier and the Supplier shall promptly issue a replacement invoice which shall comply with such requirements.
- 1.9 If the Authority fails to consider and verify an invoice in accordance with Paragraphs 1.4 and 1.8, the invoice shall be regarded as valid and undisputed for the purpose of Paragraph 2.1 Payment in 30 days after a reasonable time has passed.

2. Payment Terms

- 2.1 Subject to the relevant provisions of this Schedule, the Authority shall make payment to the Supplier within thirty (30) days of verifying that the invoice is valid and undisputed.
- 2.2 Unless the Parties agree otherwise in writing, all Supplier invoices shall be paid in sterling by electronic transfer of funds using a "Tech11" feeder file process to the bank account

that the Supplier has specified on its invoice.

Annex 1: Pricing Mechanism

[Supplier Individual Unit Rates Redacted]

1. Table 1: Supplier Personnel Rate Card for Calculation of Time Based Charges and Charges relating to Innovation Initiatives

[Supplier Individual Unit Rates Redacted]

2. Table 2: Volume Based Service Charges

[Supplier Individual Unit Rates Redacted]

3. Table 3: Exit Costs Caps

[Supplier Individual Unit Rates Redacted]

4. Table 4: TUPE Redundancy Costs Caps

[Supplier Individual Unit Rates Redacted]

Annex 2: Charging Mechanism and Adjustments

1. Table 1A: Payment Milestones and, Milestone Payments

Milestone No.	Milestone Description	Milestone Date	Payment Milestone (Y/N)
M1	Draft Detailed Implementation Plan	As set out in the Implementation Plan	N
M2	Set up activities Month 1	As set out in the Implementation Plan	Y
M3	Set up activities Month 2	As set out in the Implementation Plan	Y
M4	Set up activities Month 3	As set out in the Implementation Plan	Y
M5	Set up activities Month 4	As set out in the Implementation Plan	Y
M6	Set up activities Month 5	As set out in the Implementation Plan	Y
M7	Set up activities Month 6 - Operational Service Commencement Date for Digital Mailroom	As set out in the Implementation Plan	Y
M8	Tranche Transition Plan - Tranche 1	As set out in the Implementation Plan	Y
M9	Tranche Transition Plan - Tranche 2	As set out in the Implementation Plan	Y
M10	Tranche Transition Plan - Tranche 3	As set out in the Implementation Plan	Y
M11	Tranche Transition Plan - Tranche 4	As set out in the Implementation Plan	Y
M12	Implementation Services Commencement Date for Records Management	As set out in the Implementation Plan	Y
M13	Tranche Transition Plan - Tranche 5	As set out in the Implementation Plan	Y
M14	Tranche Transition Plan - Tranche 6	As set out in the Implementation Plan	Y
M15	Tranche Transition Plan - Tranche 7	As set out in the Implementation Plan	Y

Schedule 15 (Charges and Invoicing)

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Milestone No.	Milestone Description	Milestone Date	Payment Milestone (Y/N)
M16	Tranche Transition Plan - Tranche 8	As set out in the Implementation Plan	Y
M17	Tranche Transition Plan - Tranche 9	As set out in the Implementation Plan	Y
M18	Operational Service Commencement Date for Records Management	As set out in the Implementation Plan	Y
M19	Implementation Services Commencement Date for ELS	As set out in the Implementation Plan	N
M20	Operational Service Commencement Date for ELS	As set out in the Implementation Plan	N
M21	Transition of all the Records Management services complete	As set out in the Implementation Plan	N

Annex 3: Pro-forma Certificate of Costs

I [name of CFO or Director of Finance or equivalent as agreed in advance in writing with the Authority] of [insert name of Supplier], certify that the financial information provided as part of this Certificate of Costs, incurred in relation to the [insert name/reference for the Contract] (the “Contract”) in relation to the following [Milestone]:

[insert details of Milestone]

1. has been reasonably and properly incurred in accordance with [name of Supplier]’s books, accounts, other documents and records;
2. is accurate and not misleading in all key respects; and
3. is in conformity with the Contract and with all generally accepted accounting principles within the United Kingdom.

Signed [Director of Finance or equivalent]

[Name of Supplier]

Annex 4: Risk Register

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10	Column 11	Column 12
Risk Number	Risk Name	Description of risk	Timing	Likelihood	Impact (£)	Impact (description)	Mitigation (description)	Cost of mitigation	Post-mitigation impact (£)	Forecast Contingency Costs	Owner
No risks have been identified as at the Effective Date	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Schedule 16

Payments on Termination

Schedule 16: Payments on Termination

1. Definitions

1.1 In this Schedule, the following definitions shall apply:

“Applicable Personnel”	Supplier any Supplier Personnel who: <ul style="list-style-type: none">(a) at the Termination Date:<ul style="list-style-type: none">(i) are employees of the Supplier;(ii) are Dedicated Supplier Personnel;(iii) have not transferred (and are not in scope to transfer at a later date) to the Authority or the Replacement Supplier by virtue of the Employment Regulations; and(b) are dismissed or given notice of dismissal by the Supplier within:<ul style="list-style-type: none">(i) 40 Working Days of the Termination Date; or(ii) such longer period required by Law, their employment contract (as at the Termination Date) or an applicable collective agreement; and(c) have not resigned or given notice of resignation prior to the date of their dismissal by the Supplier; and(d) the Supplier can demonstrate to the satisfaction of the Authority:<ul style="list-style-type: none">(i) are surplus to the Supplier’s requirements after the Termination Date notwithstanding its obligation to provide services to its other customers;(ii) are genuinely being dismissed for reasons of redundancy; and(iii) have been selected for redundancy by the Supplier on objective grounds other than the fact that the Supplier is entitled to reimbursement under this provision in respect of such employees;
“Breakage Payment”	Costs an amount equal to the Redundancy Costs and the Contract Breakage Costs as at the Termination Date as determined in accordance with Paragraph 3;

“Compensation Payment”	the payment calculated in accordance with Paragraph 9;
“Contract Costs”	Breakage the amounts payable by the Supplier to its Key Sub-contractors or other third parties (as applicable) for terminating all relevant Key Sub-contracts or Third Party Contracts as a direct result of the early termination of this Contract;
“Dedicated Personnel”	Supplier all Supplier Personnel then assigned to the Services or any part of the Services. If the Supplier is unsure as to whether Supplier Personnel are or should be regarded as so assigned, it shall consult with the Authority whose view shall be determinative provided that the employee has been materially involved in the provision of the Services or any part of the Services;
“Profit Already Paid”	the Supplier Profit paid or payable to the Supplier under this Contract for the period from the Effective Date up to (and including) the Termination Date;
“Redundancy Costs”	<p>the total sum of any of the following sums paid to Applicable Supplier Personnel, each amount apportioned between the Supplier and the Authority based on the time spent by such employee on the Services as a proportion of the total Service duration:</p> <ul style="list-style-type: none"> (a) any statutory redundancy payment; and (b) in respect of an employee who was a Transferring Former Supplier Employee or a Transferring Authority Employee, any contractual redundancy payment (or where such a contractual benefit on redundancy is a benefit payable from a pension scheme, the increase in cost to the Supplier as a net present value compared to the benefit payable on termination of employment without redundancy), provided that such employee was entitled to such contractual redundancy payment immediately prior to his or her transfer to the Supplier under the Employment Regulations;
“Request for Estimate”	a written request sent by the Authority to the Supplier, requiring that the Supplier provide it with an accurate estimate of the Termination Payment and Compensation Payment that would be payable if the Authority exercised its right under Clause 31.1(a) (<i>Termination by the Authority</i>) to terminate this Contract for convenience on a specified Termination Date;
“Shortfall Period”	has the meaning given in Paragraph 9.2;
“Termination Estimate”	has the meaning given in Paragraph 14.2;

“Third Party Contract”	a contract with a third party entered into by the Supplier exclusively for the purpose of delivering the Services, as listed in Schedule 11 (<i>Third Party Contracts</i>);
“Total Costs Incurred”	the Costs incurred by the Supplier up to the Termination Date in the performance of this Contract and detailed in the Financial Model (but excluding Contract Breakage Costs, Redundancy Costs and any costs the Supplier would not otherwise be able to recover through the Charges) less any Deductions up to (and including) the Termination Date;
“Unrecovered Costs”	the Costs incurred by the Supplier in the performance of this Contract (as summarised in the Financial Model) to the extent that the same remain at the Termination Date to be recovered through Charges that but for the termination of this Contract would have been payable by the Authority after the Termination Date in accordance with Schedule 15 (<i>Charges and Invoicing</i>) as such Costs and Charges are forecast in the Financial Model;
“Unrecovered Payment”	<p>an amount equal to the lower of:</p> <ul style="list-style-type: none"> (a) the sum of the Unrecovered Costs and the Unrecovered Profit; and (b) the amount specified in Paragraph 7; and
“Unrecovered Profit”	$(\text{Total Costs Incurred} \times \text{Anticipated Contract Life Profit Margin}) - \text{Profit Already Paid} + \text{Milestone Retentions remaining unpaid at the Termination Date.}$

2. Termination Payment

- 2.1 The Termination Payment payable pursuant to Clause 32.4 (*Payments by the Authority*) shall be an amount equal to the aggregate of the Breakage Costs Payment and the Unrecovered Payment.

3. Breakage Costs Payment

- 3.1 The Supplier may recover through the Breakage Costs Payment only those costs incurred by the Supplier directly as a result of the termination of this Contract which:
- 3.1.1 would not have been incurred had this Contract continued until expiry of the Initial Term, or in the event that the Term has been extended, the expiry of the Extension Period;
 - 3.1.2 are unavoidable, proven, reasonable, and not capable of recovery;
 - 3.1.3 are incurred under arrangements or agreements that are directly associated with this Contract;
 - 3.1.4 are not Contract Breakage Costs relating to contracts or Sub-contracts with Affiliates of the Supplier; and

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3.1.5 relate directly to the termination of the Services.

4. Limitation on Breakage Costs Payment

4.1 The Breakage Costs Payment shall not exceed the lower of:

4.1.1 the relevant limit set out in Annex 1; and

4.1.2 120% of the estimate for the Breakage Costs Payment set out in any relevant Termination Estimate.

5. Redundancy Costs

5.1 The Authority shall not be liable under this Schedule for any costs associated with Supplier Personnel (whether relating to redundancy, redeployment or otherwise) other than the Redundancy Costs.

5.2 Where the Supplier can demonstrate that a member of Supplier Personnel will be made redundant following termination of this Contract, but redeployment of such person is possible and would offer value for money to the Authority when compared with redundancy, then the Authority shall pay the Supplier the actual direct costs incurred by the Supplier or its Sub-contractor arising out of the redeployment of such person (including retraining and relocation costs) subject to a maximum amount of £30,000 per relevant member of the Supplier Personnel.

6. Contract Breakage Costs

6.1 The Supplier shall be entitled to Contract Breakage Costs only in respect of Third Party Contracts or Sub-contracts which:

6.1.1 are not assigned or novated to a Replacement Supplier at the request of the Authority in accordance with Schedule 25 (*Exit Management*); and

6.1.2 the Supplier can demonstrate:

(a) are surplus to the Supplier's requirements after the Termination Date, whether in relation to use internally within its business or in providing services to any of its other customers; and

(b) have been entered into by it in the ordinary course of business.

6.2 The Supplier shall seek to negotiate termination of any Third Party Contracts or Sub-contracts with the relevant third party or Sub-contractor (as the case may be) using all reasonable endeavours to minimise the cancellation or termination charges.

6.3 Except with the prior written agreement of the Authority, the Authority shall not be liable for any costs (including cancellation or termination charges) that the Supplier is obliged to pay in respect of:

6.3.1 the termination of any contractual arrangements for occupation of, support of and/or services provided for Supplier premises which may arise as a consequence of the termination of this Contract; and/or

6.3.2 Assets not yet installed at the Termination Date.

7. Unrecovered Payment

7.1 The Unrecovered Payment shall not exceed the lowest of:

- 7.1.1 the relevant limit set out in Annex 1;
- 7.1.2 120% of the estimate for the Unrecovered Payment set out in any relevant Termination Estimate; and
- 7.1.3 the Charges that but for the termination of this Contract would have been payable by the Authority after the Termination Date in accordance with Schedule 15 (*Charges and Invoicing*) as forecast in the Financial Model.

8. Mitigation of Contract Breakage Costs, Redundancy Costs and Unrecovered Costs

8.1 The Supplier agrees to use all reasonable endeavours to minimise and mitigate Contract Breakage Costs, Redundancy Costs and Unrecovered Costs by:

- 8.1.1 the appropriation of Assets, employees and resources for other purposes;
- 8.1.2 at the Authority's request, assigning any Third Party Contracts and Sub-contracts to the Authority or a third party acting on behalf of the Authority; and
- 8.1.3 in relation Third Party Contracts and Sub-contract that are not to be assigned to the Authority or to another third party, terminating those contracts at the earliest possible date without breach or where contractually permitted.

8.2 If Assets, employees and resources can be used by the Supplier for other purposes, then there shall be an equitable reduction in the Contract Breakage Costs, Redundancy Costs and Unrecovered Costs payable by the Authority or a third party to the Supplier. In the event of any Dispute arising over whether the Supplier can use any Assets, employees and/or resources for other purposes and/or over the amount of the relevant equitable reduction, the Dispute shall be referred to an Expert for determination in accordance with the procedure detailed in Schedule 23 (*Dispute Resolution Procedure*).

9. Compensation Payment

9.1 The Compensation Payment payable pursuant to Clause 32.4.2 (*Payments by the Authority*) shall be an amount equal to the total forecast Charges over the Shortfall Period (as stated in the Financial Model) multiplied by the Anticipated Contract Life Profit Margin.

9.2 For the purposes of Paragraph 9.1, the "**Shortfall Period**" means:

- 9.2.1 where the Authority terminates this Contract pursuant to Clause 31.3(*Termination by the Authority*), a number of days equal to the number of days by which the notice given (or deemed given pursuant to Paragraph 2.1.1 of Part D of Schedule 15 (*Charges and Invoicing*)) falls short of three hundred and sixty-five (365) days; or
- 9.2.2 where the Supplier terminates this Contract pursuant to Clause 31.3(*Termination by the Supplier*), a number of days equal to the number of days by which the period from (and including) the date of the non-payment by the Authority to (and including) the Termination Date falls short of 365 days,

but in each case subject to the limit set out in Paragraph 9.3.

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9.3 The Compensation Payment shall be no greater than the lower of:

9.3.1 the relevant limit set out in Annex 1; and

9.3.2 120% of the estimate for the Compensation Payment set out in the relevant Termination Estimate.

10. Full and Final Settlement

10.1 Any Termination Payment and/or Compensation Payment paid under this Schedule shall be in full and final settlement of any claim, demand and/or proceedings of the Supplier in relation to any termination by the Authority pursuant to Clause 31.1 (*Termination by the Authority*) or termination by the Supplier pursuant to Clause 31.3 (*Termination by the Supplier*) (as applicable), and the Supplier shall be excluded from all other rights and remedies it would otherwise have been entitled to in respect of any such termination.

11. Invoicing for the Payments on Termination

11.1 All sums due under this Schedule shall be payable by the Authority to the Supplier in accordance with the payment terms set out in Schedule 15 (*Charges and Invoicing*).

12. Set Off

12.1 The Authority shall be entitled to set off any outstanding liabilities of the Supplier against any amounts that are payable by it pursuant to this Schedule.

13. No Double Recovery

13.1 If any amount payable under this Schedule (in whole or in part) relates to or arises from any Transferring Assets then, to the extent that the Authority makes any payments pursuant to Schedule 25 (*Exit Management*) in respect of such Transferring Assets, such payments shall be deducted from the amount payable pursuant to this Schedule.

13.2 The value of the Termination Payment and/or the Compensation Payment shall be reduced or extinguished to the extent that the Supplier has already received the Charges or the financial benefit of any other rights or remedy given under this Contract so that there is no double counting in calculating the relevant payment.

13.3 Any payments that are due in respect of the Transferring Assets shall be calculated in accordance with the provisions of the Exit Plan.

14. Estimate of Termination Payment and Compensation Payment

14.1 The Authority may issue a Request for Estimate at any time during the Term provided that no more than 2 Requests for Estimate may be issued in any 6 month period.

14.2 The Supplier shall within 20 Working Days of receiving the Request for Estimate (or such other timescale agreed between the Parties), provide an accurate written estimate of the Termination Payment and the Compensation Payment that would be payable by the Authority based on a postulated Termination Date specified in the Request for Estimate (such estimate being the "**Termination Estimate**"). The Termination Estimate shall:

14.2.1 be based on the relevant amounts set out in the Financial Model;

14.2.2 include:

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- (a) details of the mechanism by which the Termination Payment is calculated;
- (b) full particulars of the estimated Contract Breakage Costs in respect of each Sub-contract or Third Party Contract and appropriate supporting documentation; and
- (c) such information as the Authority may reasonably require; and

14.2.3 state the period for which that Termination Estimate remains valid, which shall be not less than 20 Working Days.

14.3 The Supplier acknowledges that issue of a Request for Estimate shall not be construed in any way as to represent an intention by the Authority to terminate this Contract.

14.4 If the Authority issues a Termination Notice to the Supplier within the stated period for which a Termination Estimate remains valid, the Supplier shall use the same mechanism to calculate the Termination Payment as was detailed in the Termination Estimate unless otherwise agreed in writing between the Supplier and the Authority.

Annex 1: Maximum Payments on Termination

The table below sets out, by Contract Year, the maximum amount of the Unrecovered Payment, Breakage Costs Payment and Compensation Payment that the Authority shall be liable to pay to the Supplier pursuant to this Contract:

Termination Date	Maximum Unrecovered Payment	Maximum Breakage Costs Payment	Maximum Compensation Payment
Anytime in the first Contract Year	<p>Parties to liaise and agree the amount to be inserted within 60 Working Days of Effective Date.</p> <p>The Supplier shall provide the Authority with such details and information relating to the proposed amount as the Authority may reasonably request and within a reasonable timescale.</p>	<p>Parties to liaise and agree the amount to be inserted within 60 Working Days of Effective Date.</p> <p>The Supplier shall provide the Authority with such details and information relating to the proposed amount as the Authority may reasonably request and within a reasonable timescale.</p>	100% of amount calculated under Paragraph 9 (Compensation Payment)
Anytime in the second Contract Year	<p>Parties to liaise and agree the amount to be inserted within 60 Working Days of Effective Date.</p> <p>The Supplier shall provide the Authority with such details and information relating to the proposed amount as the Authority may reasonably request and within a reasonable timescale.</p>	<p>Parties to liaise and agree the amount to be inserted within 60 Working Days of Effective Date.</p> <p>The Supplier shall provide the Authority with such details and information relating to the proposed amount as the Authority may reasonably request and within a reasonable timescale.</p>	80% of amount calculated under Paragraph 9 (Compensation Payment)
Anytime in Contract Years 3 – 6	<p>Parties to liaise and agree the amount to be inserted within 60 Working Days of Effective Date.</p> <p>The Supplier shall provide the Authority with such details and information relating to</p>	<p>Parties to liaise and agree the amount to be inserted within 60 Working Days of Effective Date.</p> <p>The Supplier shall provide the Authority with such details and information relating to</p>	60% of amount calculated under Paragraph 9 (Compensation Payment)

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Termination Date	Maximum Unrecovered Payment	Maximum Breakage Costs Payment	Maximum Compensation Payment
	the proposed amount as the Authority may reasonably request and within a reasonable timescale.	the proposed amount as the Authority may reasonably request and within a reasonable timescale.	
Anytime during the optional Extension Period (Contract Years 7 – 8)	<p>Parties to liaise and agree the amount to be inserted within 60 Working Days of Effective Date.</p> <p>The Supplier shall provide the Authority with such details and information relating to the proposed amount as the Authority may reasonably request and within a reasonable timescale.</p>	<p>Parties to liaise and agree the amount to be inserted within 60 Working Days of Effective Date.</p> <p>The Supplier shall provide the Authority with such details and information relating to the proposed amount as the Authority may reasonably request and within a reasonable timescale.</p>	No Compensation Payment payable

Schedule 17

Benchmarking

Schedule 17: Benchmarking

1. Definitions

1.1 In this Schedule, the following definitions shall apply:

“Benchmarked Service”	a Service that the Authority elects to include in a Benchmark Review under Paragraph 2.3;
“Benchmarker”	the independent third party appointed under Paragraph 3.1;
“Benchmark Report”	the report produced by the Benchmarker following the Benchmark Review as further described in Paragraph 5;
“Benchmark Review”	a review of one or more of the Services carried out in accordance with Paragraph 4 to determine whether those Services represent Good Value;
“Comparable Service”	in relation to a Benchmarked Service, a service that is identical or materially similar to the Benchmarked Service (including in terms of scope, specification, volume and quality of performance);
“Comparison Group”	in relation to a Comparable Service, a sample group of organisations providing the Comparable Service identified by the Benchmarker under Paragraph 4.8 which consists of organisations which are either of similar size to the Supplier or which are similarly structured in terms of their business and their service offering so as to be (in the Benchmarker’s professional opinion) fair comparators with the Supplier or which, in the professional opinion of the Benchmarker, are best practice organisations and, where there are a reasonable number of such organisations, referencing only those organisations that are carrying on at least a significant part of their business within the United Kingdom;
“Equivalent Data”	Services in relation to a Comparable Service, data derived from an analysis of the Comparable Service provided by the Comparison Group as adjusted in accordance with Paragraphs 4.8.1 and 4.9 provided that the Benchmarker shall not use any such data that relates to a period which ended more than 36 months prior to the date of the appointment of the Benchmarker;
“Good Value”	in relation to a Benchmarked Service, that: (a) having taken into account the Performance Indicators and Target Performance Levels, the value for money of the Charges attributable to that Benchmarked Service is

at least as good as the value for money of the Upper Quartile; and

- (b) any Performance Indicators and Target Performance Levels applicable to that Benchmarked Service are, having taken into account the Charges, equal to or better than the median service levels for the Comparable Service using Equivalent Services Data; and

“Upper Quartile” the top 25% of instances of provision of a Comparable Service by members of the Comparison Group ranked by best value for money to the recipients of that Comparable Service.

2. Frequency, Purpose and Scope of Benchmark Review

- 2.1 The Authority may, by written notice to the Supplier, require a Benchmark Review of any or all of the Services in order to establish whether a Benchmarked Service is, and/or the Benchmarked Services as a whole are, Good Value.
- 2.2 The Authority shall not be entitled to carry out a Benchmark Review of any Services during the 12 month period from the Operational Service Commencement Date for those Services, nor at intervals of less than 12 months after any previous Benchmark Review relating to the same Services.
- 2.3 The Services that are to be the Benchmarked Services shall be identified by the Authority in the notice given under Paragraph 2.1.

3. Appointment of Benchmarker

- 3.1 The Authority shall appoint as the Benchmarker to carry out the Benchmark Review either an organisation on the list of organisations set out in Annex 1 or such other organisation as may be agreed in writing between the Parties.
- 3.2 The Authority shall, at the written request of the Supplier, require the Benchmarker to enter into a confidentiality agreement with the Supplier in, or substantially in, the form set out in Annex 2.
- 3.3 The costs and expenses of the Benchmarker and the Benchmark Review shall be shared equally between both Parties provided that each Party shall bear its own internal costs of the Benchmark Review. The Benchmarker shall not be compensated on a contingency fee or incentive basis.
- 3.4 The Authority shall be entitled to pay the Benchmarker's costs and expenses in full and to recover the Supplier's share from the Supplier.

4. Benchmark Review

- 4.1 The Authority shall require the Benchmarker to produce, and to send to each Party for approval, a draft plan for the Benchmark Review within 10 Working Days after the date of the appointment of the Benchmarker, or such longer period as the Benchmarker shall reasonably request in all the circumstances. The plan must include:
 - 4.1.1 a proposed timetable for the Benchmark Review;

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- 4.1.2 a description of the information that the Benchmarker requires each Party to provide;
 - 4.1.3 a description of the benchmarking methodology to be used;
 - 4.1.4 a description that clearly illustrates that the benchmarking methodology to be used is capable of fulfilling the benchmarking objectives under Paragraph 2.1;
 - 4.1.5 an estimate of the resources required from each Party to underpin the delivery of the plan;
 - 4.1.6 a description of how the Benchmarker will scope and identify the Comparison Group;
 - 4.1.7 details of any entities which the Benchmarker proposes to include within the Comparison Group; and
 - 4.1.8 if in the Benchmarker's professional opinion there are no Comparable Services or the number of entities carrying out Comparable Services is insufficient to create a Comparison Group, a detailed approach for meeting the relevant benchmarking objective(s) under Paragraph 2.1 using a proxy for the Comparison Services and/or Comparison Group as applicable.
- 4.2 The Parties acknowledge that the selection and or use of proxies for the Comparison Group (both in terms of number and identity of entities) and Comparable Services shall be a matter for the Benchmarker's professional judgment.
- 4.3 Each Party shall give notice in writing to the Benchmarker and to the other Party within 10 Working Days after receiving the draft plan either approving the draft plan or suggesting amendments to that plan which must be reasonable. Where a Party suggests amendments to the draft plan pursuant to this Paragraph 4.3, the Benchmarker shall, if it believes the amendments are reasonable, produce an amended draft plan. Paragraph 4.1 and this Paragraph 4.3 shall apply to any amended draft plan.
- 4.4 Failure by a Party to give notice under Paragraph 4.3 shall be treated as approval of the draft plan by that Party. If the Parties fail to approve the draft plan within 30 Working Days of its first being sent to them pursuant to Paragraph 4.1 then the Benchmarker shall prescribe the plan.
- 4.5 Once the plan is approved by both Parties or prescribed by the Benchmarker, the Benchmarker shall carry out the Benchmark Review in accordance with the plan. Each Party shall procure that all the information described in the plan, together with any additional information reasonably required by the Benchmarker is provided to the Benchmarker without undue delay. If the Supplier fails to provide any information requested from it by the Benchmarker and described in the plan, such failure shall constitute a material Default for the purposes of Clause 25.1.3 (*Rectification Plan Process*).
- 4.6 Each Party shall co-operate fully with the Benchmarker, including by providing access to records, technical documentation, premises, equipment, systems and personnel at times reasonably requested by the Benchmarker, provided that the Benchmarker shall be instructed to minimise any disruption to the Services.
- 4.7 Either Party may provide additional material to the Benchmarker to assist the Benchmarker in conducting the Benchmark Review.

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- 4.8 Once it has received the information it requires, the Benchmarker shall:
- 4.8.1 finalise the sample of entities constituting the Comparison Group and collect data relating to Comparable Services. The final selection of the Comparison Group (both in terms of number and identity of entities) and of the Comparable Services shall be a matter for the Benchmarker's professional judgment;
 - 4.8.2 derive the Equivalent Services Data by applying the adjustment factors listed in Paragraph 4.9 and from an analysis of the Comparable Services;
 - 4.8.3 derive the relative value for money of the charges payable for the Comparable Services using the Equivalent Services Data and from that derive the Upper Quartile;
 - 4.8.4 derive the median service levels relating to the Comparable Services using the Equivalent Services Data;
 - 4.8.5 compare the value for money of the Charges attributable to the Benchmarked Services (having regard in particular to the applicable Performance Indicators and Target Performance Levels) to the value for money of the Upper Quartile;
 - 4.8.6 compare the Performance Indicators and Target Performance Levels attributable to the Benchmarked Services (having regard to the Charges and Service Credits) with the median service levels using the Equivalent Services Data; and
 - 4.8.7 determine whether or not each Benchmarked Service is and/or the Benchmarked Services as a whole are, Good Value.
- 4.9 The Benchmarker shall have regard to the following matters when performing a comparative assessment of a Benchmarked Service and a Comparable Service in order to derive Equivalent Services Data:
- 4.9.1 the contractual and business environment under which the Services are being provided (including the scope, scale, complexity and geographical spread of the Services);
 - 4.9.2 any front-end investment and development costs of the Supplier;
 - 4.9.3 the Supplier's risk profile including the financial, performance or liability risks associated with the provision of the Services as a whole;
 - 4.9.4 the extent of the Supplier's management and contract governance responsibilities;
 - 4.9.5 any other reasonable factors demonstrated by the Supplier, which, if not taken into consideration, could unfairly cause the Supplier's pricing to appear non-competitive (such as erroneous costing, non-sustainable behaviour including excessive consumption of energy or over-aggressive pricing).

5. Benchmark Report

- 5.1 The Benchmarker shall be required to prepare a Benchmark Report and deliver it simultaneously to both Parties, at the time specified in the plan approved under Paragraph

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- 4, setting out its findings. The Benchmark Report shall:
 - 5.1.1 include a finding as to whether or not each Benchmarked Service is and/or whether the Benchmarked Services as a whole are, Good Value;
 - 5.1.2 include other findings (if any) regarding the quality and competitiveness or otherwise of those Services;
 - 5.1.3 if any Benchmarked Service is not Good Value, or the Benchmarked Services as a whole are not Good Value, specify the changes that would be required to the Charges, Performance Indicators and/or Target Performance Levels, that would be required to make that Benchmarked Service or those Benchmarked Services as a whole Good Value; and
 - 5.1.4 illustrate the method used for any normalisation of the Equivalent Services Data
- 5.2 The Benchmarker shall act as an expert and not as an arbitrator.
- 5.3 If the Benchmark Report states that any Benchmarked Service is not Good Value or that the Benchmarked Services as a whole are not Good Value, then the Supplier shall (subject to Paragraphs 5.5 and 5.6) implement the changes set out in the Benchmark Report as soon as reasonably practicable within timescales agreed with the Authority but in any event within no more than 3 months. Any associated changes to the Charges shall take effect only from the same date and shall not be retrospective.
- 5.4 The Supplier acknowledges and agrees that Benchmark Reviews shall not result in any increase to the Charges, disapplication of the Performance Indicators or any reduction in the Target Performance Levels.
- 5.5 The Supplier shall be entitled to reject any Benchmark Report if the Supplier reasonably considers that the Benchmarker has not followed the procedure for the related Benchmark Review as set out in this Schedule in any material respect.
- 5.6 The Supplier shall not be obliged to implement any Benchmark Report to the extent this would cause the Supplier to provide the Services at a loss (as determined, by reference to the Financial Model), or to the extent the Supplier cannot technically implement the recommended changes.
- 5.7 In the event of any Dispute arising over whether the Benchmarker has followed the procedure for the related Benchmark Review under Paragraph 5.5 and/or any matter referred to in Paragraph 5.6, the Dispute shall be referred to Expert Determination. For the avoidance of doubt in the event of a Dispute between the Parties, the Authority shall continue to pay the Charges to the Supplier in accordance with the terms of this Contract and the Performance Indicators and Target Performance Levels shall remain unchanged pending the conclusion of the Expert Determination.
- 5.8 On conclusion of the Expert Determination:
 - 5.8.1 if the Expert determines that all or any part of the Benchmark Report recommendations regarding any reduction in the Charges shall be implemented by the Supplier, the Supplier shall immediately repay to the Authority the difference between the Charges paid by the Authority up to and including the date of the Expert's determination and the date upon which the recommended reduction in Charges should have originally taken effect pursuant to Paragraph

5.3 together with interest thereon at the applicable rate under the Late Payment Of Commercial Debts (Interest) Act 1998; and

5.8.2 if the Expert determines that all or any part of the Benchmark Report recommendations regarding any changes to the Performance Indicators and/or Target Performance Levels shall be implemented by the Supplier:

- (a) the Supplier shall immediately implement the relevant changes;
- (b) the Supplier shall immediately pay an amount equal to any Service Credits which would have accrued up to and including the date of the Expert's determination if the relevant changes had taken effect on the date determined pursuant to Paragraph 5.3 together with interest thereon at the applicable rate under the Late Payment Of Commercial Debts (Interest) Act 1998; and
- (c) the relevant changes shall thereafter be subject to the Change Control Procedure for the purposes of formalising and documenting the relevant change or amendment for the purposes of this Contract.

5.9 Any failure by the Supplier to implement the changes as set out in the Benchmark Report in accordance with the relevant timescales determined in accordance with Paragraph 5.3 (unless the provisions of Paragraph 5.6 and/or Paragraph 5.7 apply) or in accordance with Paragraph 5.8 shall, without prejudice to any other rights or remedies of the Authority, constitute a Supplier Termination Event.

Annex 1: Approved Benchmarkers

Not Used

Annex 2: Confidentiality Agreement

CONFIDENTIALITY AGREEMENT

THIS AGREEMENT is made on [date]

BETWEEN:

1. [insert name] of [insert address] (the “**Supplier**”); and
2. [insert name] of [insert address] (the “**Benchmarker**” and together with the Supplier, the “**Parties**”).

WHEREAS:

- (A) [insert name of Authority] (the “**Authority**”) and the Supplier are party to a contract dated [insert date] (the “**Contract**”) for the provision by the Supplier of [insert brief description of services] to the Authority.
- (B) The Benchmarker is to receive Confidential Information from the Supplier for the purpose of carrying out a benchmarking review for the Authority of one or more of such services pursuant to the terms of the Contract (the “**Permitted Purpose**”).

IT IS AGREED as follows:

1. Interpretation

- 1.1 In this Agreement, unless the context otherwise requires:

“Confidential Information”

means:

- (a) Information, including all personal data within the meaning of the Data Protection Act 2018, and however it is conveyed, provided by the Supplier to the Benchmarker pursuant to this Agreement that relates to:
 - (i) the Supplier; or
 - (ii) the operations, business, affairs, developments, intellectual property rights, trade secrets, know-how and/or personnel of the Supplier;
- (b) other Information provided by the Supplier pursuant to this Agreement to the Benchmarker that is clearly designated as being confidential or equivalent or that ought reasonably to be considered to be confidential which comes (or has come) to the Benchmarker’s attention or into the Benchmarker’s possession in connection with the Permitted Purpose;
- (c) discussions, negotiations, and correspondence between the Supplier or any of its directors, officers, employees, consultants or professional advisers and the

Benchmarker or any of its directors, officers, employees, consultants and professional advisers in connection with the Permitted Purpose and all matters arising therefrom; and

- (d) Information derived from any of the above, but not including any Information that:
- (e) was in the possession of the Benchmarker without obligation of confidentiality prior to its disclosure by the Supplier;
- (f) the Benchmarker obtained on a non-confidential basis from a third party who is not, to the Benchmarker's knowledge or belief, bound by a confidentiality agreement with the Supplier or otherwise prohibited from disclosing the information to the Benchmarker;
- (g) was already generally available and in the public domain at the time of disclosure otherwise than by a breach of this Agreement or breach of a duty of confidentiality; or
- (h) was independently developed without access to the Confidential Information;

“Information” means all information of whatever nature, however conveyed and in whatever form, including in writing, orally, by demonstration, electronically and in a tangible, visual or machine-readable medium (including CD-ROM, magnetic and digital form); and

“Permitted Purpose” has the meaning given to that expression in recital (B) to this Agreement.

1.2 In this Agreement:

- 1.2.1 a reference to any gender includes a reference to other genders;
- 1.2.2 the singular includes the plural and vice versa;
- 1.2.3 the words “include” and cognate expressions shall be construed as if they were immediately followed by the words “without limitation”;
- 1.2.4 references to any statutory provision include a reference to that provision as modified, replaced, amended and/or re-enacted from time to time (before or after the date of this Agreement) and any prior or subsequent subordinate legislation made under it;
- 1.2.5 headings are included for ease of reference only and shall not affect the interpretation or construction of this Agreement; and
- 1.2.6 references to Clauses are to clauses of this Agreement.

2. Confidentiality Obligations

- 2.1 In consideration of the Supplier providing Confidential Information to the Benchmarker, the Benchmarker shall:
- 2.1.1 treat all Confidential Information as secret and confidential;
 - 2.1.2 have in place and maintain proper security measures and procedures to protect the confidentiality of the Confidential Information (having regard to its form and nature);
 - 2.1.3 not disclose or permit the disclosure of any of the Confidential Information to any other person without obtaining the prior written consent of the Supplier or, if relevant, other owner or except as expressly set out in this Agreement;
 - 2.1.4 not transfer any of the Confidential Information outside the United Kingdom;
 - 2.1.5 not use or exploit any of the Confidential Information for any purpose whatsoever other than the Permitted Purpose;
 - 2.1.6 immediately notify the Supplier in writing if it suspects or becomes aware of any unauthorised access, copying, use or disclosure in any form of any of the Confidential Information; and
 - 2.1.7 once the Permitted Purpose has been fulfilled:
 - (a) destroy or return to the Supplier all documents and other tangible materials that contain any of the Confidential Information;
 - (b) ensure, so far as reasonably practicable, that all Confidential Information held in electronic, digital or other machine-readable form ceases to be readily accessible (other than by the information technology staff of the Benchmarker) from any computer, word processor, voicemail system or any other device; and
 - (c) make no further use of any Confidential Information.

3. Permitted Disclosures

- 3.1 The Benchmarker may disclose Confidential Information to those of its directors, officers, employees, consultants and professional advisers who:
- 3.1.1 reasonably need to receive the Confidential Information in connection with the Permitted Purpose; and
 - 3.1.2 have been informed by the Benchmarker of the confidential nature of the Confidential Information; and
 - 3.1.3 have agreed to terms similar to those in this Agreement.
- 3.2 The Benchmarker shall be entitled to disclose Confidential Information to the Authority for the Permitted Purpose and to any Expert appointed in relation to a Dispute as referred to in Paragraph 5.7 of this Schedule 17 (*Benchmarking*) to the Contract.

Schedule 17: (Benchmarking)

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- 3.3 The Benchmarker shall be entitled to disclose Confidential Information to the extent that it is required to do so by applicable law or by order of a court or other public body that has jurisdiction over the Benchmarker.
- 3.4 Before making a disclosure pursuant to Clause 3.3, the Benchmarker shall, if the circumstances permit:
 - 3.4.1 notify the Supplier in writing of the proposed disclosure as soon as possible (and if possible before the court or other public body orders the disclosure of the Confidential Information); and
 - 3.4.2 ask the court or other public body to treat the Confidential Information as confidential.

4. General

- 4.1 The Benchmarker acknowledges and agrees that all property, including intellectual property rights, in Confidential Information disclosed to it by the Supplier shall remain with and be vested in the Supplier.
- 4.2 This Agreement does not include, expressly or by implication, any representations, warranties or other obligations:
 - 4.2.1 to grant the Benchmarker any licence or rights other than as may be expressly stated in this Agreement;
 - 4.2.2 to require the Supplier to disclose, continue disclosing or update any Confidential Information; or
 - 4.2.3 as to the accuracy, efficacy, completeness, capabilities, safety or any other qualities whatsoever of any Information or materials provided pursuant to or in anticipation of this Agreement.
- 4.3 The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers or remedies provided by law. No failure or delay by either Party to exercise any right, power or remedy will operate as a waiver of it nor will any partial exercise preclude any further exercise of the same, or of some other right, power or remedy.
- 4.4 Without prejudice to any other rights or remedies that the Supplier may have, the Benchmarker acknowledges and agrees that damages alone may not be an adequate remedy for any breach by the Benchmarker of any of the provisions of this Agreement. Accordingly, the Benchmarker acknowledges that the Supplier shall be entitled to the remedies of injunction and specific performance as well as any other equitable relief for any threatened or actual breach of this Agreement and/or breach of confidence and that no proof of special damages shall be necessary for the enforcement of such remedies.
- 4.5 The maximum liability of the Benchmarker to the Supplier for any breach of this Agreement shall be limited to ten million pounds (£10,000,000).
- 4.6 For the purposes of the Contracts (Rights of Third Parties) Act 1999 no one other than the Parties has the right to enforce the terms of this Agreement.

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4.7 Each Party shall be responsible for all costs incurred by it or on its behalf in connection with this Agreement.

4.8 This Agreement may be executed in any number of counterparts and by the Parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.

5. Notices

5.1 Any notice to be given under this Agreement (each a “**Notice**”) shall be given in writing and shall be delivered by hand and shall be deemed to have been duly given at the time of delivery provided that such Notice is sent to the relevant physical address, and expressly marked for the attention of the relevant individual, set out in Clause 5.2.

5.2 Any Notice:

5.2.1 if to be given to the Supplier shall be sent to:

[Address]

Attention: [Contact name and/or position, e.g. “The Finance Director”]

5.2.2 if to be given to the Benchmarker shall be sent to:

[TBC]

[TBC]

Attention: [TBC]

6. Governing law

6.1 This Agreement shall be governed by, and construed in accordance with, English law and any matter claim or dispute arising out of or in connection with this Agreement whether contractual or non-contractual, shall be governed by and determined in accordance with English law.

6.2 Each Party hereby irrevocably submits to the exclusive jurisdiction of the English courts in respect of any claim or dispute arising out of or in connection with this Agreement.

IN WITNESS of the above this Agreement has been signed by the duly authorised representatives of the Parties on the date which appears at the head of page 1.

For and on behalf of [name of Supplier]

Signature: _____

Date:

Name:

Position:

For and on behalf of [name of Benchmarker]

Signature: _____

Date:

Name:

Position:

Schedule 18

Financial Distress

Schedule 18: Financial Distress

1. INTRODUCTION

- 1.1 This Schedule provides (amongst other matters) for the assessment of the financial standing of the FDE Group and the establishment of trigger events relating to changes in such financial standing which, if they occur, will have specified consequences.
- 1.2 For the purposes of this Schedule, the following terms and phrases shall bear the following meanings:

“Board”	means the Supplier’s board of directors;
“Board Confirmation”	means written confirmation from the Board in accordance with Paragraph 8 of this Schedule;
“FDE Group”	means the Supplier, Key Sub-contractors and the Guarantor;
“Financial Ratio Level”	means, in respect of each FDE Group member, the levels set out in Table 1 at Paragraph 2.1 (and “Financial Ratio” shall be construed accordingly);
“Financial Ratios Calculation Period”	means the standard annual accounting period from time to time of each FDE Group member; and
“Test(s)”	has the meaning given in the first column in table 1

2. FINANCIAL RATIOS

- 2.1 The Supplier shall monitor the Financial Ratios on an ongoing basis and calculate the following Financial Ratios (on the basis of published accounts) as at the end of each Financial Ratios Calculation Period. The Supplier shall confirm to the Authority in writing on the earlier of:

- 2.1.1 one (1) month following publication in the public domain of the financial accounts for the Financial Ratios Calculation Period; or
- 2.1.2 one hundred and twenty (120) days after the end of each Financial Ratios Calculation Period,

that the Financial Ratios for each FDE Group member fall within the “Acceptable” Financial Ratio Level as set out in table 1. The Supplier will make the calculations referred to in table 1 in accordance with Paragraph 7. The Supplier shall also provide quarterly reports based on latest management accounts in respect of each FDE Group member with the calculations referred to in table 1 in accordance with Paragraph 7. In the event that the Financial Ratios for any FDE Group member do not at any point fall within the “Acceptable” Financial Ratio Level, for any reason(s) other than solely due to a change in GAAP (**“Generally Accepted Accounting Principles”**), the provisions of Paragraphs 3 or 4 of this Schedule shall apply (as applicable).

Table 1

Test				
	Calculation	Acceptable	Risk Level 1	Risk Level 2
Turnover Ratio	Turnover / Annual Contract Value	2 and above	Below 2, but above 1.5	1.5 and below
Operating Margin	Operating Profit / Revenue	10% and above	Below 10%, but above 5%	5% and below
Free Cash Flow to Net Debt Ratio	Free Cash Flow / Net Debt	15% and above	Below 15%, but above 5%	5% and below
Net Debt to EBITDA Ratio	Net Debt / EBITDA	2.5 and below	Between 2.6 and 3.4	3.5 and above
Net Pension Deficit to Net Assets Ratio	(Net Debt + Net Pension Deficit) / Net Assets	4 and below	Between 4.1 and 4.9	5 and above
Net Interest Paid Cover	EBIT / Net Interest Paid	4.5 and above	Between 3.1 and 4.4	3 and below
Acid Ratio	(Current Assets – Stock and Work In Progress) / Current Liabilities	1 and above	0.9	0.8 and below
Net Asset Value	Net Assets	Above 0	N/A	0 and below
Group Exposure Ratio	Group Exposure / Gross Assets	25% and below	Between 26% and 49%	50% and above

- 2.2 Unless otherwise agreed with the Authority in writing, the Supplier warrants and represents to the Authority for the benefit of the Authority that as at the Effective Date the Financial Ratios for each FDE Group member (in accordance with Table 1 in paragraph 2.1) falls within the “Acceptable” Financial Ratio Level.
- 2.3 The Supplier shall regularly monitor relevant indicators of risk, including without limitation the Financial Ratios relating to the FDE Group, in accordance with this Schedule throughout the Term. The Supplier shall promptly, and in any event within ten (10) Working Days from the date on which the Supplier first becomes aware of any fact, circumstance or matter which has caused or constitutes a Financial Distress Event, notify, or shall procure that its auditors promptly notify, the Authority in writing following the occurrence of a Financial Distress Event. For the avoidance of doubt, whilst the methodology for calculating the Net Debt to EBITDA Ratio shall be determined by

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reference to a methodology used in preparing a particular set of published accounts in respect of the FDE Group, nothing in this Schedule shall be treated as requiring the Supplier only to monitor and calculate Financial Ratios after the end of a particular Financial Ratios Calculation Period and/or by reference to particular published accounts. Instead the Supplier shall be required in accordance with this Paragraph 2.3 to monitor and calculate Financial Ratios for the FDE Group on a regular basis throughout the Term (based on then current management accounts or other relevant financial information in respect of the FDE Group) and to notify the Authority if at any point in time during the Term any Financial Ratios for a FDE Group member cease to fall within the "Acceptable" level (as set out in Table 1 of Paragraph 2.1).

3. Risk Level 1 Financial Distress Event

3.1 Any of the following events shall constitute a Financial Distress Event which is categorised for the purposes of this Schedule as a "Risk Level 1" Financial Distress Event:

- 3.1.1 any member of the FDE Group having an adverse decline in one or more of the Financial Ratios specified in Table 1 of paragraph 2.1 of this Schedule such that the Financial Ratio for any of the Tests falls within Financial Ratio "Risk Level 1";
- 3.1.2 any FDE Group member extends the filing period for filing its accounts with the Registrar of Companies so that the filing period ends more than 9 months after its accounting reference date without an explanation to the Authority which the Authority (acting reasonably) considers to be adequate
- 3.1.3 a Key Sub-contractor, pursuant to the obligation included within its Key Sub-contract in accordance with Paragraph 6.1, providing a report to the Authority there is a Material Non-Payment in relation to its Key Sub-contract;
- 3.1.4 a FDE Group member failing (or being unable) within ten (10) Working Days of a Profit Warning Event) to demonstrate to the Authority's reasonable satisfaction, that (notwithstanding such Profit Warning Event),
 - (a) the Financial Ratios for that FDE Group member remain within the "Acceptable" Financial Ratio Level (as set out in Table 1 of Paragraph 2.1 above); and
 - (b) there are no other implications of such Profit Warning Event that would impact on the Financial Ratio Level of that FDE Group member in the future, or would otherwise impact on the ability of the Supplier to provide the Services, or ability of that FDE Group member to meet its obligations under this Contract, the Guarantee, Key Sub-contract, or other agreement relevant to the supply of Services under this Contract, as appropriate;
- 3.1.5 there being a public investigation into improper financial accounting and reporting, suspected fraud or any other impropriety of a FDE Group member; and/or
- 3.1.6 a FDE Group member committing a material breach of covenants to its lenders

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- 3.1.7 any FDE Group member is late to file its annual accounts without a public notification or an explanation to the Authority which the Authority, acting reasonably, considers to be adequate; or
- 3.1.8 the directors and/or external auditors of any FDE Group member conclude that a material uncertainty exists in relation to that FDE Group member's going concern in the annual report including in a reasonable but plausible downside scenario. This includes, but is not limited to, commentary about liquidity and trading prospects in the reports from directors or external auditors,

and if any such Financial Distress Event or any Profit Warning Event occurs then, immediately upon notification of the Financial Distress Event or Profit Warning Event (or if the Authority becomes aware of the Financial Distress Event or Profit Warning Event without notification and brings the Financial Distress Event or Profit Warning Event to the attention of the Supplier), and without prejudice to any other rights and remedies of the Authority howsoever arising the Authority shall have the rights set out in paragraph 3.2 of this Schedule.

3.2 At the request of the Authority, the Supplier shall:

- 3.2.1 meet with the Authority (and, if the Financial Distress Event relates to the another member of the FDE Group, use all reasonable endeavours to procure that member of the FDE Group shall meet with the Authority) as soon as is reasonably practicable and in any event within three (3) Working Days to review the effect of the Financial Distress Event upon the continued performance of the Services, the Sub-contract or of the Guarantee (as the case may be);
- 3.2.2 provide such information as the Authority may reasonably require relating to the Financial Distress Event in advance of, the meeting referred to at paragraph 3.2.1 above; and/or
- 3.2.3 submit to the Authority for its approval, a draft Financial Distress Remediation Plan as soon as possible and in any event not later than ten (10) Working Days (or such other period as the Authority may permit and notify to the Supplier in writing) after the initial notification under Paragraph 2.3 of this Schedule (or if the Authority becomes aware of the Financial Distress Event without notification and brings the Financial Distress Event to the attention of the Supplier, as soon as possible and in any event not later than ten (10) Working Days after the Financial Distress Event has been brought to the attention of the Supplier).

3.3 The Authority shall not withhold its approval of a draft Financial Distress Remediation Plan unreasonably. If the Authority does not approve the draft Financial Distress Remediation Plan it shall inform the Supplier of its reasons and the Supplier shall take those reasons into account in the preparation of a further Financial Distress Remediation Plan, which shall be resubmitted to the Authority within five (5) Working Days of the rejection of the first draft.

3.4 If the Authority reasonably considers that the draft Financial Distress Remediation Plan is insufficiently detailed to be properly evaluated, or will take too long to complete or will not remedy the Financial Distress Event, then it may either agree a further time period for the development and agreement of the Financial Distress Remediation Plan or rely on Paragraph 3.6.2.

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3.5 The Supplier shall comply with any Financial Distress Remediation Plan following its approval by the Authority.

3.6 If:

3.6.1 the Supplier does not provide the information required in accordance with Paragraph 3.2.2; and/or

3.6.2 the Authority does not approve of the Financial Distress Remediation Plan submitted in accordance with Paragraph 3.2.3 or resubmitted in accordance with Paragraph 3.3; and/or

3.6.3 the Supplier fails to fully and promptly implement any Financial Distress Remediation Plan in accordance with its terms,

then the Authority shall be entitled to treat such event as being a Risk Level 2 Financial Distress Event and Paragraph 4 shall apply.

3.7 If and to the extent that:

3.7.1 a Risk Level 1 Financial Distress Event arises due to one more of the Financial Ratios of a FDE Group member and that FDE Group member's Financial Ratios then improve to an "Acceptable" level; or

3.7.2 a Risk Level 1 Financial Distress Event arises due to factors other than the Financial Ratios a FDE Group member and the Authority reasonably determines that the factors no longer constitute any type of financial, performance or reputation risk to the Authority or to the provision of any Services (such decision being revocable where it considers new or varied information gives rise to such risk to the Authority and/or the provision of any Services);

and in each case, no new factors have arisen which would give rise to a Risk Level 1 Financial Distress Event, then the Authority shall notify the Supplier that the Risk Level 1 Financial Distress Event no longer applies, but the Supplier shall nonetheless complete delivery of any Financial Distress Remediation Plan (unless otherwise agreed between the Parties).

3.8 Where the Financial Distress Event relates to the non-payment of Key Sub-contractor(s) pursuant to Paragraph 3.1.3, the Authority shall, prior to exercising its rights under Paragraph 3.2 of this Schedule, give the Supplier a period of not more than ten (10) Working Days in which to rectify that non-payment or to demonstrate to the Authority's reasonable satisfaction that there is a valid reason for non-payment.

4. Risk Level 2 Financial Distress Event

4.1 Any of the following events shall constitute a Financial Distress Event which is categorised for the purposes of this Schedule as a "Risk Level 2" Financial Distress Event:

4.1.1 a FDE Group member having an adverse decline in one or more of the Financial Ratios specified in table 1 of Paragraph 2.1 such that any of the Financial Ratios fall within Financial Ratio Risk Level 2;

4.1.2 a FDE Group member failing to pay any financial indebtedness (regardless of

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litigation in respect of that failure to pay);

- 4.1.3 a cancellation or suspension of financial indebtedness;
- 4.1.4 the external auditor of a FDE Group member expressing a qualified opinion on, or including an emphasis of matter in its opinion on the statutory accounts of that FDE Group member;
- 4.1.5 any of the circumstances outlined in Paragraph 3.6 arise;
- 4.1.6 any of the following:
 - (a) commencement of any litigation against a FDE Group member with respect to financial indebtedness greater than £5m or any obligation under a service contract with a total value greater than £5m,
 - (b) non- payment by an FDE Group member of any financial indebtedness,
 - (c) any financial indebtedness of an FDE Group member becoming due as a result of an event of default,
 - (d) The cancellation or suspension of any financial indebtedness in respect of an FDE Group member, which will directly impact upon the Supplier's ability to deliver the Services; and/or
- 4.1.7 an Insolvency Event in respect of any FDE Group member,

and if any such Financial Distress Event occurs then, immediately upon notification of the Financial Distress Event (or if the Authority becomes aware of the Financial Distress Event without notification and brings the Financial Distress Event to the attention of the Supplier), and without prejudice to any other rights and remedies of the Authority howsoever arising the provisions of Paragraph 4.2 shall apply to the extent applicable and the Authority shall also have the rights set out in Paragraph 4.2 of this Schedule.

4.2 The Authority may:

- 4.2.1 require the Supplier's chief financial officer to update the Authority as to the relevant FDE Group member's financial standing on a monthly basis and, if applicable, require the Supplier to use all reasonable endeavours to procure that the FDE Group member directly provides monthly updates to the Authority; and/or
- 4.2.2 require the Supplier to provide the Authority with a draft Financial Distress Remediation Plan setting out how the Supplier will ensure the continuity of provision of the Services in the event that the relevant FDE Group member becomes subject to the occurrence of an Insolvency Event, in which case: (i) the provisions of Paragraph 3.2.3 and 3.3 shall apply mutatis mutandis as regards the process (including timescales) for the relevant Financial Distress Remediation Plan to be submitted to, and approved by, the Authority; and (ii) the Supplier shall comply with the relevant Financial Distress Event Service Continuity Plan following its approval by the Authority.

4.3 If and to the extent that:

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- 4.3.1 a Risk Level 2 Financial Distress Event arises due to one or more of the Financial Ratios of a FDE Group member and that FDE Group member's Financial Ratios then improve to an "Acceptable" level; or
- 4.3.2 a Risk Level 2 Financial Distress Event arises due to factors other than the Financial Ratios of a FDE Group member and the Authority reasonably determines that the factors no longer constitute any type of financial, performance or reputation risk to the Authority or to the provision of any Services (such decision being revocable where it considers new or varied information gives risk to such risk to the Authority and/or the provision of the any Services);

and in each case, no new factors have arisen which would give rise to a Risk Level 2 Financial Distress Event, then the Authority shall notify the Supplier that the Risk Level 2 Financial Distress Event no longer applies, but the Supplier shall nonetheless complete delivery of any Financial Distress Remediation Plan (unless otherwise agreed between the Parties).

5. Termination Rights

- 5.1 The Authority shall be entitled to terminate this Contract under Clause 31.1.2 (Termination by the Authority) if:
 - 5.1.1 the Supplier fails to notify the Authority in accordance with Paragraph 2.3 of a Financial Distress Event;
 - 5.1.2 the Supplier fails, in any material respect, to comply with Paragraphs 3.2.3, 3.3 and/or 4.2.2 and does not remedy that failure to the reasonable satisfaction of the Authority within five (5) Working days of the Authority notifying the Supplier of the failure and requiring that it be remedied; and/or
 - 5.1.3 the Supplier materially fails to comply with the terms of any Financial Distress Event Service Continuity Plan in accordance with Paragraphs 3.5 or 4.2.2 of this Schedule.

6. Sub-contractor Payment

- 6.1 The Supplier shall ensure that all Key Sub-contracts include an obligation on the Key Sub-contractor to report to the Authority, within ten (10) Working Days of the due date for payment, any Material Non-Payment or late payment of any sums due to it from the Supplier under the provision of the Key Sub-contract.

7. Calculation Methodology

- 7.1 The Supplier shall use the general and specific methodologies set out in Paragraph 7.2 and Table 2 in Paragraph 7.3 when calculating the Financial Ratio Levels.

7.2 General methodology

Terminology: The terms referred to in Paragraph 7 are those used by UK companies in their financial statements. Where the entity is not a UK company, the corresponding items should be used even if the terminology is slightly different (for example a charity would refer to a surplus or deficit rather than a profit or loss).

Groups: Where the entity is the holding company of a group and prepares consolidated financial statements, the consolidated figures should be used.

Foreign currency conversion: Figures denominated in foreign currencies should be converted at the exchange rate in force at the relevant date for which the Financial Ratio Level is being calculated.

Treatment of non-underlying items: Financial Ratio Levels should be based on the figures in the financial statements before adjusting for non-underlying items.

7.3 Specific Methodology

Table 2

Financial Ratio	Specific Methodology
Turnover Ratio	<p>The elements used to calculate the turnover should be shown on the face of the income statement in a standard set of financial statements.</p> <p>Turnover is sometimes called revenue.</p> <p>The Total Contract Value is the estimated total contract value provided by the Authority in the contract notice issued in respect of the procurement exercise leading to the award of this Contract.</p>
Operating Margin	<p>The elements used to calculate the operating margin should be shown on the face of the income statement in a standard set of financial statements.</p> <p>Figures for operating profit and revenue should exclude the entity's share of the results of any joint ventures or associates.</p> <p>Where an entity has an operating loss (i.e. where the operating profit is negative), operating profit should be taken to be zero.</p>
Free Cash Flow to Net Debt Ratio	<p>"Free Cash Flow" = Net cash flow from operating activities – capital expenditure.</p> <p>"Capital Expenditure" = Purchase of property, plant & equipment + purchase of intangible assets.</p> <p>"Net Debt" = Bank overdrafts + loans and borrowings + finance leases + deferred consideration payable – cash and cash equivalents.</p> <p>The majority of the elements used to calculate the free cash flow to net debt ratio should be shown on the face of the statement of cash flows and the balance sheet in a standard set of financial statements.</p> <p><u>Net Cash Flow from operating activities</u></p> <p>This should be stated after deduction of interest and tax paid.</p> <p><u>Capital expenditure</u></p> <p>The elements of capital expenditure may be described slightly differently but will be found under 'cash flows from investing activities' in the Statement of cash flows; they should be limited to</p>

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Financial Ratio	Specific Methodology
	<p>the purchase of fixed assets (including intangible assets) for the business and exclude acquisitions. The figure should be shown gross without any deduction for any proceeds of sale of fixed assets.</p> <p><u>Net Debt</u></p> <p>The elements of net debt may also be described slightly differently and should be found either on the face of the balance sheet or in the relevant note to the financial statements. All interest bearing liabilities (other than retirement benefit obligations) should be treated as borrowings as should, where disclosed, any liabilities (less any assets) in respect of any hedges designated as linked to borrowings (but not non- designated hedges). Borrowings should also include balances owed to other group members.</p> <p>Deferred consideration payable should be included in net debt despite typically being non-interest bearing.</p> <p>Cash and cash equivalents should include short-term financial investments shown in current assets.</p>
<p>Net Debt to EBITDA Ratio</p>	<p>“EBITDA” = Operating profit + depreciation charge + amortisation charge.</p> <p>The majority of the elements used to calculate the net debt to EBITDA ratio should be shown on the face of the balance sheet, income statement and statement of cash flows in a standard set of financial statements but will otherwise be found in the notes to the financial statements.</p> <p><u>Net Debt</u></p> <p>Refer to the notes for free cash flow to net debt ratio.</p> <p><u>EBITDA</u></p> <p>Operating profit should be shown on the face of the Income Statement and, for the purposes of calculating this financial ratio, should include the entity’s share of the results of any joint ventures or associates. The depreciation and amortisation charges for the period may be found on the face of the statement of cash flows or in a note to the accounts. The depreciation and amortisation charges for the period may be found on the face of the statement of cash flows or in a note to the accounts.</p>
<p>Net Pension Deficit to Net Assets Ratio</p>	<p>“Net Pension Deficit” = Retirement Benefit Obligations – Retirement Benefit Assets.</p> <p>The majority of the elements used to calculate the net pension deficit to net assets ratio should be shown on the face of the balance sheet, income statement and statement of cash flows in a standard set of financial statements but will otherwise be found in the notes to the financial statements.</p> <p><u>Net Pension Deficit</u></p>

Schedule 18: (Financial Distress)

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Financial Ratio	Specific Methodology
	Retirement benefit obligations and retirement benefit assets may be shown on the face of the balance sheet or in the notes to the financial statements. They may also be described as pension benefits / obligations, post-employment obligations or other similar terms.
Net Interest Paid Cover	<p>"EBIT" = Operating Profit.</p> <p>"Net Interest Paid" = Interest paid – Interest received.</p> <p>Operating profit should be shown on the face of the income statement in a standard set of financial statements and, for the purposes of calculating this financial ratio, should include the entity's share of the results of any joint ventures or associates.</p> <p>Interest received and interest paid should be shown on the face of the cash flow statement.</p>
Acid Ratio	All elements that are used to calculate the Acid Ratio are available on the face of the Balance Sheet in a standard set of financial statements.
Net Asset value	<p>Net assets are shown (but sometimes not labelled) on the face of the balance sheet of a standard set of financial statements. Net assets are sometimes called net worth or 'Shareholders' Funds'.</p> <p>They represent the net assets available to the shareholders. Where an entity has a majority interest in another entity in which there are also minority or non-controlling interests (i.e. Where it has a subsidiary partially owned by outside investors), net assets should be taken inclusive of minority or non-controlling interests (as if the entity owned 100% of such entity).</p>
Group Exposure Ratio	<p>"Group Exposure" = Balances owed by Group Undertakings + Contingent liabilities assumed in support of Group Undertakings.</p> <p>"Gross Assets" = Fixed Assets + Current Assets.</p> <p><u>Group Exposure</u></p> <p>Balances owed by (i.e. receivable from) Group Undertakings are shown within Fixed Assets or Current Assets either on the face of the Balance Sheet or in the relevant notes to the financial statements. In many cases there may be no such balances, in particular where an entity is not a member of a group or is itself the ultimate holding company of the group.</p> <p>Contingent liabilities assumed in support of Group Undertakings are shown in the 'Contingent Liabilities' note in a standard set of financial statements. They include guarantees and security given in support of the borrowings of other group companies, often as part of group borrowing arrangements. Where the contingent liabilities are capped, the capped figure should be taken as their value.</p>

Schedule 18: (Financial Distress)

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Financial Ratio	Specific Methodology
	<p>In many cases an entity may not have assumed any contingent liabilities in support of Group Undertakings, in particular where an entity is not a member of a group or is itself the ultimate holding company of the group.</p> <p><u>Gross Assets</u></p> <p>Both Fixed Assets and Current Assets are shown on the face of the Balance Sheet.</p>

8. Board Confirmation

- 8.1 If this Contract has been specified as a Critical Service Contract under Paragraph 1.1 of Part B to Schedule 26 (Service Continuity Plan and Corporate Resolution Planning) then, subject to Paragraph 8.4 of this Schedule, the Supplier shall within 120 days after each Accounting Reference Date or within 15 months of the previous Board Confirmation (whichever is the earlier) provide a Board Confirmation to the Authority in the form set out at Annex 4 of this Schedule, confirming that to the best of the Board's knowledge and belief, it is not aware of and has no knowledge:
- 8.1.1 that a Financial Distress Event has occurred since the later of the Effective Date or the previous Board Confirmation or is subsisting; or
- 8.1.2 of any matters which have occurred or are subsisting that could reasonably be expected to cause a Financial Distress Event.
- 8.2 The Supplier shall ensure that in its preparation of the Board Confirmation it exercises due care and diligence and has made reasonable enquiry of all relevant Supplier Personnel and other persons as is reasonably necessary to understand and confirm the position.
- 8.3 In respect of the first Board Confirmation to be provided under this Contract, the Supplier shall provide the Board Confirmation within 15 months of the Effective Date if earlier than the timescale for submission set out in Paragraph 8.1 of this Schedule.
- 8.4 Where the Supplier is unable to provide a Board Confirmation in accordance with Paragraphs 8.1 to 8.3 of this Schedule due to the occurrence of a Financial Distress Event or knowledge of subsisting matters which could reasonably be expected to cause a Financial Distress Event, it will be sufficient for the Supplier to submit in place of the Board Confirmation, a statement from the Board of Directors to the Authority (and where the Supplier is a Strategic Supplier, the Supplier shall send a copy of the statement to the Cabinet Office Markets and Suppliers Team) setting out full details of any Financial Distress Events that have occurred and/or the matters which could reasonably be expected to cause a Financial Distress Event

ANNEX 1: BOARD CONFIRMATION

Supplier Name:

Contract Reference Number:

The Board of Directors acknowledge the requirements set out at paragraph 8 of Schedule 18: Financial Distress and confirm that the Supplier has exercised due care and diligence and made reasonable enquiry of all relevant Supplier Personnel and other persons as is reasonably necessary to enable the Board to prepare this statement.

The Board of Directors confirms, to the best of its knowledge and belief, that as at the date of this Board Confirmation it is not aware of and has no knowledge:

- (a) that a Financial Distress Event has occurred since the later of the previous Board Confirmation and the Effective Date or is subsisting; or
- (b) of any matters which have occurred or are subsisting that could reasonably be expected to cause a Financial Distress Event

On behalf of the Board of Directors:

Chair
Signed
Date
Director
Signed
Date

Schedule 19

Financial Reports and Audit Rights

Schedule 19: Financial Reports and Audit Rights

1. Definitions

1.1 In this Schedule, the following definitions shall apply:

“Annual Contract Report”	the annual contract report to be provided by the Supplier to the Authority pursuant to Paragraph 1 of Part B;
“Audit Agents”	(a) the Authority’s internal and external auditors; (b) the Authority’s statutory or regulatory auditors; (c) the Comptroller and Auditor General, their staff and/or any appointed representatives of the National Audit Office; (d) HM Treasury or the Cabinet Office; (e) any party formally appointed by the Authority to carry out audit or similar review functions; and (f) successors or assigns of any of the above;
“Contract Amendment Report”	the contract amendment report to be provided by the Supplier to the Authority pursuant to Paragraph 1 of Part B;
“Final Reconciliation Report”	the final reconciliation report to be provided by the Supplier to the Authority pursuant to Paragraph 1 of Part B;
“Financial Model”	the Contract Inception Report, the latest Annual Contract Report or the latest Contract Amendment Report, whichever has been most recently approved by the Authority in accordance with Paragraph 2 of Part B;
“Financial Reports”	the Contract Inception Report and the reports listed in the table in Paragraph 1.1 of Part B;
“Financial Representative”	a reasonably skilled and experienced member of the Supplier’s staff who has specific responsibility for preparing, maintaining, facilitating access to, discussing and explaining the Open Book Data and Financial Reports;
“Financial Transparency Objectives”	has the meaning given in Paragraph 1 of Part A;
“Material Change”	a Change which:

- (a) materially changes the profile of the Charges; or
 - (b) varies the total Charges payable during the Term (as forecast in the latest Financial Model) by:
 - (i) 5% or more; or
 - (ii) £1m or more;
- “Onerous Contract”** a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, as defined under International Accounting Standard 37;
- “Onerous Contract Report”** means a report provided by the Supplier pursuant to Paragraph 3 of Part A to this Schedule;
- “Open Book Data”** complete and accurate financial and non-financial information which is sufficient to enable the Authority to verify the Charges already paid or payable and Charges forecast to be paid during the remainder of the Term, including details and all assumptions relating to:
 - (a) the Supplier’s Costs broken down against each Service and/or Deliverable, including actual capital expenditure (including capital replacement costs) and the unit cost and total actual costs of all hardware and software;
 - (b) operating expenditure relating to the provision of the Services including an analysis showing:
 - (i) the unit costs and quantity of consumables and bought-in services;
 - (ii) manpower resources broken down into the number and grade/role of all Supplier Personnel (free of any contingency) together with a list of agreed rates against each manpower grade;
 - (iii) a list of Costs underpinning those rates for each manpower grade, being the agreed rate less the Supplier’s Profit Margin; and
 - (iv) Reimbursable Expenses;
 - (c) Overheads;
 - (d) all interest, expenses and any other third party financing costs incurred in relation to the provision of the Services;
 - (e) the Supplier Profit achieved over the Term and on an annual basis;

- (f) confirmation that all methods of Cost apportionment and Overhead allocation are consistent with and not more onerous than such methods applied generally by the Supplier;
- (g) an explanation of the type and value of risk and contingencies associated with the provision of the Services, including the amount of money attributed to each risk and/or contingency; and
- (h) the actual Costs profile for each Service Period.

“Profit Centre”

a discrete financial model created and within the Suppliers financial system that accounts for any and all financial data (including all revenue and cost transactions) relating to this Contract and the provision of the Services from the Effective Date which shall be maintained by the Supplier throughout the Term

Part A: Financial Transparency Objectives and Open Book Data

1. Financial Transparency Objectives

1.1 The Supplier acknowledges that the provisions of this Schedule are designed (inter alia) to facilitate, and the Supplier shall co-operate with the Authority in order to achieve, the following objectives:

1.1.1 Understanding the Charges

- (a) for the Authority to understand any payment sought from it by the Supplier including an analysis of the Costs, Overhead recoveries (where relevant), time spent by Supplier Personnel in providing the Services and the Supplier Profit Margin;
- (b) for both Parties to be able to understand the Financial Model and Cost forecasts and to have confidence that these are based on justifiable numbers and appropriate forecasting techniques;
- (c) to facilitate the use of Guaranteed Maximum Price with Target Cost pricing mechanisms (where relevant as referred to in Schedule 15 (*Charges and Invoicing*));

1.1.2 Agreeing the impact of Change

- (a) for both Parties to agree the quantitative impact of any Changes that affect ongoing costs and to identify how these could be mitigated and/or reflected in the Supplier's Charges;
- (b) for both Parties to be able to review, address issues with and re-forecast progress in relation to the provision of the Services;

1.1.3 Continuous improvement

- (a) for the Parties to challenge each other with ideas for efficiency and improvements; and
- (b) to enable the Authority to demonstrate that it is achieving value for money for the tax payer relative to current market prices,

(together the "**Financial Transparency Objectives**").

1.2 To support the achievement of the Financial Transparency Objectives, the Supplier shall operate a Profit Centre in relation to all financial aspects of the Services provided to the Authority under the Contract including any rates and prices.

1.3 The Profit Centre shall at all times be subject to the Authority's audit rights and provisions regarding Open Book Data as contained in the Contract including:

1.3.1 the Supplier making available to the Authority upon request any transactional data from ledgers, supported by cash-flow forecasts, balance sheets and profit and loss accounts in relation to the Contract;

1.3.2 the Supplier maintaining records of decisions and agreements made with the

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Authority and ensuring that all records are maintained and made available to the Authority upon request;

1.3.3 in accordance with all rights of the Authority in respect of auditing and ensuring value for money; and

1.3.4 for the purposes of future reconciliation.

1.4 The Supplier shall provide the Authority with the latest financial data captured by the Profit Centre within 15 Working Days of a request.

1.5 The Supplier shall at all times operate the Profit Centre in an open and transparent manner.

2. Open Book Data

2.1 The Supplier acknowledges the importance to the Authority of the Financial Transparency Objectives and the Authority's need for complete transparency in the way in which the Charges are calculated.

2.2 During the Term, and for a period of 7 years following the end of the Term, the Supplier shall:

2.2.1 maintain and retain the Open Book Data; and

2.2.2 disclose and allow the Authority and/or the Audit Agents access to the Open Book Data.

3. Onerous Contracts

3.1 If the Supplier publicly designates the Contract as an Onerous Contract (including where the Supplier has identified the Contract as such in any published accounts or public reports and announcements), the Supplier shall promptly notify the Authority of the designation and shall prepare and deliver to the Authority within the timescales agreed by the Parties (and in any event, no later than 2 months following the publication of the designation) a draft Onerous Contract Report which includes the following:

3.1.1 An initial root cause analysis of the issues and circumstances which may have contributed to the Contract being designated as an Onerous Contract;

3.1.2 An initial risk analysis and impact assessment on the provision of the Services as a result of the Supplier's designation of the Contract as an Onerous Contract;

3.1.3 the measures which the Supplier intends to put in place to minimise and mitigate any adverse impact on the provision on the Services;

3.1.4 details of any other options which could be put in place to remove the designation of the Contract as an Onerous Contract and/or which could minimise and mitigate any adverse impact on the provision of the Services.

3.2 Following receipt of the Onerous Contract Report, the Authority shall review and comment on the report as soon as reasonably practicable and the Parties shall cooperate in good faith to agree the final form of the report, which shall be submitted to the members of the Annual Review Board, such final form report to be agreed no later than 1 month following the Authority's receipt of the draft Onerous Contract Report.

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- 3.3 The Annual Review Board shall meet within 14 Working Days of the final Onerous Contract Report being agreed by the Parties to discuss the contents of the report; and the Parties shall procure the attendance at the meeting of any key participants where reasonably required (including the Cabinet Office Markets and Suppliers team where the Supplier is a Strategic Supplier; representatives from any Key Sub-contractors/Monitored Suppliers; and the project's senior responsible officers (or equivalent) for each Party).
- 3.4 The Supplier acknowledges and agrees that the report is submitted to the Authority and Annual Review Board on an information only basis and the Authority and Annual Review Board's receipt of and comments in relation to the report shall not be deemed to be an acceptance or rejection of the report nor shall it relieve the Supplier of any liability under this Contract. Any Changes to be agreed by the Parties pursuant to the report shall be subject to the Change Control Procedure.

Part B: Financial Reports

1. Provision of the Financial Reports

1.1 The Supplier shall provide

- 1.1.1 the Contract Inception Report on or before the Effective Date; and
- 1.1.2 during the Term the following financial reports to the Authority, in the frequency specified below:

Financial Report	When to be provided
Contract Amendment Report	Within 1 month of a Material Change being agreed between the Supplier and the Authority
Quarterly Contract Report	Within 1 month of the end of each Quarter
Annual Contract Report	Within 1 month of the end of the Contract Year to which that report relates
Final Reconciliation Report	Within 6 months after the end of the Term

- 1.2 The Supplier shall provide to the Authority the Financial Reports in the same software package (Microsoft Excel or Microsoft Word), layout and format as the blank templates which have been issued by the Authority to the Supplier on or before the Effective Date for the purposes of this Contract. The Authority shall be entitled to modify the template for any Financial Report by giving written notice to the Supplier, including a copy of the updated template.
- 1.3 A copy of each Financial Report shall be held by both the Authority and the Supplier. If there is a Dispute regarding a Financial Report, the Authority's copy of the relevant Financial Report shall be authoritative.
- 1.4 Each Financial Report shall:
 - 1.4.1 be completed by the Supplier using reasonable skill and care;
 - 1.4.2 incorporate and use the same defined terms as are used in this Contract;
 - 1.4.3 quote all monetary values in pounds sterling;
 - 1.4.4 quote all Costs as exclusive of any VAT; and
 - 1.4.5 quote all Costs and Charges based on current prices.
- 1.5 Each Annual Contract Report and the Final Reconciliation Report shall be certified by the Supplier's Chief Financial Officer or Director of Finance (or equivalent as agreed in writing by the Authority in advance of issue of the relevant Financial Report), acting with express authority, as:
 - 1.5.1 being accurate and not misleading;
 - 1.5.2 having been prepared in conformity with generally accepted accounting principles within the United Kingdom;

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- 1.5.3 being a true and fair reflection of the information included within the Supplier's management and statutory accounts; and
- 1.5.4 compliant with the requirements of Paragraph 1.6.
- 1.6 The Supplier shall:
 - 1.6.1 prepare each Financial Report using the same methodology as that used for the Contract Inception Report;
 - 1.6.2 to the extent permitted by Law, ensure that each Annual Contract Report and each Contract Amendment Report (if any) is a true and fair reflection of the Costs and Supplier Profit Margin forecast by the Supplier;
 - 1.6.3 to the extent permitted by Law, ensure that the Final Reconciliation Report is a true and fair reflection of the Costs; and
 - 1.6.4 not have any other internal financial model in relation to the Services inconsistent with the Financial Model.
- 1.7 During the Term, and for a period of 18 months following the end of the Term, the Supplier shall make available the Financial Representative at reasonable times and on reasonable notice to answer any queries that the Authority may have on any of the Financial Reports and/or Open Book Data.
- 1.8 If the Supplier becomes aware of the occurrence, or the likelihood of the future occurrence, of an event which will or may have a material effect on the following:
 - 1.8.1 the Costs incurred (or those forecast to be incurred) by the Supplier; and/or
 - 1.8.2 the forecast Charges for the remainder of the Term,the Supplier shall, as soon as practicable, notify the Authority in writing of the event in question detailing the actual or anticipated effect. For the avoidance of doubt, notifications provided in accordance with this Paragraph 1.8 shall not have the effect of amending any provisions of this Contract.

2. Financial Model

- 2.1 Following the delivery by the Supplier of each Annual Contract Report and any Contract Amendment Report:
 - 2.1.1 the Parties shall meet to discuss its contents within 15 Working Days of receipt (or such other period as the Parties shall agree). The Financial Representative shall attend the meeting;
 - 2.1.2 the Supplier shall make appropriate Supplier Personnel and advisers available to discuss any variations between the relevant Financial Report and the Contract Inception Report or immediately preceding Annual Contract Report or Contract Amendment Report (as the case may be) and to explain such variations (with reference to supporting evidence) to the satisfaction of the Authority; and
 - 2.1.3 the Authority shall either within 10 Working Days of the meeting referred to in Paragraph 2.1.1 notify the Supplier that:

- (a) the relevant Financial Report contains errors or omissions or that further explanations or supporting information is required, in which event the Supplier shall make any necessary modifications to the Financial Report and/or supply the Authority with such supporting evidence as is required to address the Authority's concerns within 10 Working Days of such notification and the Authority shall following receipt of such amended Financial Report and/or supporting information, approve or reject such Financial Report; or
- (b) the Authority has approved the relevant Financial Report.

2.2 Following approval by the Authority of the relevant Financial Report in accordance with Paragraph 2.1.3, that version shall become, with effect from the date of such approval, the current approved version of the Financial Model for the purposes of this Contract, a version of which shall be held by both the Authority and the Supplier. If there is a Dispute regarding a Financial Report, the Authority's copy of the relevant Financial Report shall be authoritative.

2.3 If the Parties are unable to reach agreement on any Financial Report within 30 Working Days of its receipt by the Authority, the matter shall be referred for determination in accordance with Schedule 23 (*Dispute Resolution Procedure*).

3. Discussion of Quarterly Contract Reports and Final Reconciliation Report

3.1 Following the delivery by the Supplier of each Quarterly Contract Report, the Parties shall meet to discuss its contents within 10 Working Days of receipt (or such other period as the Parties shall agree). The Financial Representative shall attend the meeting.

3.2 Following the delivery by the Supplier of the Final Reconciliation Report, the Parties shall meet to discuss its contents within 10 Working Days of receipt (or such other period as the Parties shall agree). The Financial Representative shall attend the meeting.

4. Key Sub-contractors

4.1 The Supplier shall, if requested by the Authority, provide (or procure the provision of) a report or reports including the level of information set out in the Financial Reports in relation to the costs and expenses to be incurred by any of its Key Sub-contractors.

4.2 Without prejudice to Paragraph 1.1 of Part C, the Supplier shall:

4.2.1 be responsible for auditing the financial models/reports of its Key Sub-contractors and for any associated costs and expenses incurred or forecast to be incurred; and

4.2.2 on written request by the Authority, provide the Authority or procure that the Authority is provided with:

- (a) full copies of audit reports for the Key Sub-contractors. The Authority shall be entitled to rely on such audit reports; and
- (b) further explanation of, and supporting information in relation to, any audit reports provided.

Part C: Audit Rights

1. Audit Rights

- 1.1 The Authority, acting by itself or through its Audit Agents, shall have the right during the Term and for a period of 18 months thereafter, to assess compliance by the Supplier and/or its Key Sub-contractors of the Supplier's obligations under this Contract, including for the following purposes:
- 1.1.1 to verify the integrity and content of any Financial Report and the Profit Centre;
 - 1.1.2 to verify the accuracy of the Charges and any other amounts payable by the Authority under this Contract (and proposed or actual variations to such Charges and payments);
 - 1.1.3 to verify the Costs (including the amounts paid to all Sub-contractors and any third party suppliers);
 - 1.1.4 to verify the Certificate of Costs and/or the Open Book Data;
 - 1.1.5 to verify the Supplier's and each Key Sub-contractor's compliance with this Contract and applicable Law;
 - 1.1.6 to identify or investigate actual or suspected fraud, impropriety or accounting mistakes or any breach or threatened breach of security and in these circumstances the Authority shall have no obligation to inform the Supplier of the purpose or objective of its investigations;
 - 1.1.7 to identify or investigate any circumstances which may impact upon the financial stability of the Supplier, the Guarantor and/or any Key Sub-contractors or their ability to perform the Services;
 - 1.1.8 to obtain such information as is necessary to fulfil the Authority's obligations to supply information for parliamentary, ministerial, judicial or administrative purposes including the supply of information to the Comptroller and Auditor General;
 - 1.1.9 to review any books of account and the internal contract management accounts kept by the Supplier in connection with this Contract;
 - 1.1.10 to carry out the Authority's internal and statutory audits and to prepare, examine and/or certify the Authority's annual and interim reports and accounts;
 - 1.1.11 to enable the National Audit Office to carry out an examination pursuant to Section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority has used its resources;
 - 1.1.12 to verify the accuracy and completeness of any Management Information delivered or required by this Contract;
 - 1.1.13 to review any Performance Monitoring Reports and/or other records relating to the Supplier's performance of the Services and to verify that these reflect the Supplier's own internal reports and records;

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- 1.1.14 to inspect the IT Environment (or any part of it) and the wider service delivery environment (or any part of it);
 - 1.1.15 to review the accuracy and completeness of the Registers;
 - 1.1.16 to review any records created during the design and development of the Supplier System and pre-operational environment such as information relating to Testing;
 - 1.1.17 to review the Supplier's quality management systems (including all relevant Quality Plans and any quality manuals and procedures);
 - 1.1.18 to review the Supplier's compliance with the Standards;
 - 1.1.19 to inspect the Authority Assets, including the Authority's IPRs, equipment and facilities, for the purposes of ensuring that the Authority Assets are secure and that any register of assets is up to date; and/or
 - 1.1.20 to review the integrity, confidentiality and security of the Authority Data.
- 1.2 Subject to Paragraph 5 (Exceptional Audits) and except where an audit is imposed on the Authority by a regulatory body or where the Authority has reasonable grounds for believing that the Supplier has not complied with its obligations under this Contract, the Authority may not conduct an audit of the Supplier or of the same Key Sub-contractor more than twice in any Contract Year.
- 1.3 Nothing in this Contract shall prevent or restrict the rights of the Comptroller and/or Auditor General and/or their representatives from carrying out an audit, examination or investigation of the Supplier and/or any of the Key Sub-contractors for the purposes of and pursuant to applicable Law.

2. Conduct of Audits

- 2.1 The Authority shall during each audit comply with those security, sites, systems and facilities operating procedures of the Supplier that the Authority deems reasonable and use its reasonable endeavours to ensure that the conduct of each audit does not unreasonably disrupt the Supplier or delay the provision of the Services.
- 2.2 Subject to the Authority's obligations of confidentiality, the Supplier shall on demand provide the Authority and the Audit Agents with all reasonable co-operation and assistance (and shall procure such co-operation and assistance from its Sub-contractors) in relation to each audit, including:
- 2.2.1 all information requested by the Authority within the permitted scope of the audit;
 - 2.2.2 reasonable access to any Sites and to any equipment used (whether exclusively or non-exclusively) in the performance of the Services;
 - 2.2.3 access to the Supplier System;
 - 2.2.4 access to Supplier Personnel; and
 - 2.2.5 all documents (including computerised documents and data) and other information as the Comptroller and Auditor General may reasonably require for the purpose of his financial audit of the Authority and for carrying out

examinations into the economy, efficiency and effectiveness with which the Authority has used its resources and

and the Supplier shall provide such explanations as are reasonably required.

- 2.3 The Supplier shall implement all measurement and monitoring tools and procedures necessary to measure and report on the Supplier's performance of the Services against the applicable Performance Indicators at a level of detail sufficient to verify compliance with the Performance Indicators.
- 2.4 The Authority shall endeavour to (but is not obliged to) provide at least 15 Working Days' notice of its intention to conduct an audit.
- 2.5 The Parties agree that they shall bear their own respective costs and expenses incurred in respect of compliance with their obligations under this Paragraph 2, unless the audit identifies a material Default by the Supplier in which case the Supplier shall reimburse the Authority for all the Authority's reasonable costs incurred in connection with the audit.

3. Use of Supplier's Internal Audit Team

- 3.1 As an alternative to the Authority's right pursuant to Paragraph 1.1 to exercise an audit either itself or through its Audit Agents, the Authority may require in writing that an audit is undertaken by the Supplier's own internal audit function for any of the purposes set out in Paragraph 1.1.
- 3.2 Following the receipt of a request from the Authority under Paragraph 3.1 above, the Supplier shall procure that the relevant audit is undertaken as soon as reasonably practicable and that the Authority has unfettered access to:
 - 3.2.1 the resultant audit reports; and
 - 3.2.2 all relevant members of the Supplier's internal audit team for the purpose of understanding such audit reports.

4. Response to Audits

- 4.1 If an audit undertaken pursuant to Paragraphs 1 or 3 identifies that:
 - 4.1.1 the Supplier has committed a Default, the Authority may (without prejudice to any rights and remedies the Authority may have) require the Supplier to correct such Default as soon as reasonably practicable and, if such Default constitutes a Notifiable Default, to comply with the Rectification Plan Process;
 - 4.1.2 there is an error in a Financial Report, the Supplier shall promptly rectify the error;
 - 4.1.3 the Authority has overpaid any Charges, the Supplier shall pay to the Authority:
 - (a) the amount overpaid;
 - (b) interest on the amount overpaid at the applicable rate under the *Late Payment of Commercial Debts (Interest) Act 1998*, accruing on a daily basis from the date of overpayment by the Authority up to the date of repayment by the Supplier; and

(c) the reasonable costs incurred by the Authority in undertaking the audit, the Authority may exercise its right to deduct such amount from the Charges if it prefers; and

4.1.4 the Authority has underpaid any Charges, the Supplier shall not be entitled to increase the Charges paid or payable by the Authority.

5. Exceptional Audits

5.1 The Supplier shall permit the Authority and/or its appointed representatives access to conduct an audit (an "**Exceptional Audit**") of the Supplier in any of the following circumstances:

5.1.1 actual or suspected impropriety or fraud;

5.1.2 there are reasonable grounds to suspect that:

(a) the Supplier is in Default under the Contract;

(b) the Guarantor may be in default of the Guarantee;

(c) the Supplier is in financial distress or at risk of insolvency or bankruptcy, or any fact, circumstance or matter which is reasonably likely to cause the Supplier financial distress and result in a risk of the Supplier becoming insolvent or bankrupt has occurred; or

(d) a breach of the Security Requirements has occurred under the Contract, (each an "**Exceptional Circumstance**").

5.2 If the Authority notifies the Supplier of an Exceptional Circumstance and that it wishes to conduct an Exceptional Audit, the Supplier shall provide access in accordance with Paragraph 2.2 as soon as reasonably practicable after such request and in any event within forty eight (48) hours. The requirement to give access within forty eight (48) hours under this Paragraph 5.2 shall not apply and instead access shall be provided immediately if the Authority reasonably believes that the Supplier is in material Default of any of its obligations under this Contract or Data Protection Legislation.

Schedule 20

Anticipated Savings

Schedule 20: Anticipated Savings

This Schedule defines the key benefit categories in which savings are anticipated.

Ref.	Benefit Category	Indicative amount (£k)	Timescale
1	Total value of efficiency reduction from Pricing Proposal	£[Redacted]	Contract Years 2 to 6

Schedule 21

Governance

Schedule 21: Governance

1. Definitions

1.1 In this Schedule, the following definitions shall apply:

“Annual Strategic Review Board”	the body as detailed in Annex 3;
“Board Member”	the initial persons appointed by the Authority and Supplier to the Boards as set out in Annex 1: Monthly Review Board (Annex 1: Monthly Review Board), Annex 2: Quarterly Strategic Review Boards (Annex 2: Quarterly Strategic Review Boards) and Annex 3: Annual Strategic Review Board (Annex 3: Annual Strategic Review Board) and any replacements from time to time agreed by the Parties in accordance with Paragraph 3.3;
“Boards”	the Monthly Review Board, Quarterly Strategic Review Board, and Annual Strategic Review Board each as and “Board” shall mean any of them;
“Monthly Review Board”	the body as detailed in Annex 1;
“Project Managers”	the individuals appointed as such by the Authority and the Supplier in accordance with Paragraph 2;
“Quarterly Strategic Review Board”	the body as detailed in Annex 2;

2. Management of the Services

- 2.1 The Supplier and the Authority shall each appoint a Project Manager for the purposes of this Contract through whom the Services shall be managed at a day-to-day level.
- 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 Contract 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 Contract on which both the Supplier and the Authority shall be represented.
- 3.2 In relation to each Board, the:
- 3.2.1 Authority Board Members;
 - 3.2.2 Supplier Board Members;

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

3.2.4 location of the Board's meetings; and

3.2.5 planned start date by which the Board shall be established,

shall be as set out in Annex Annex 1: Monthly Review Board, Annex 2: Quarterly Strategic Review Boards and Annex 3: Annual Strategic Review Board respectively.

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

Board meetings

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

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

3.4.2 that they are debriefed by such delegate after the Board Meeting.

3.5 A chairperson shall be appointed for each Board as identified in each of Annex Annex 1: Monthly Review Board, Annex Annex 2: Quarterly Strategic Review Boards and Annex Annex 3: Annual Strategic Review Board. The chairperson shall be responsible for:

3.5.1 scheduling Board meetings;

3.5.2 Ensuring that an agenda is set for Board meetings and circulating to all attendees in advance of such meeting;

3.5.3 chairing the Board meetings;

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

3.5.5 ensuring that minutes for Board meetings are recorded and disseminated electronically to the appropriate persons and to all Board meeting participants within seven Working Days after the Board meeting; and

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

3.6 Board meetings shall be quorate as long as at least two Board Members from each Party are present and such Board Members are empowered to make decisions at the Board meeting on behalf of the Party they represent.

3.7 The Parties shall ensure, as far as reasonably practicable, that all Boards shall as soon as reasonably practicable resolve the issues and achieve the objectives placed before them.

Each Party shall endeavour to ensure that Board Members are empowered to make relevant decisions or have access to empowered individuals for decisions to be made to achieve this.

4. Contract Management Mechanisms

- 4.1 Both Parties shall pro-actively manage risks attributed to them under the terms of this Contract.
- 4.2 The Supplier shall develop, operate, maintain and amend, as agreed with the Authority, processes for:
 - 4.2.1 the identification and management of risks;
 - 4.2.2 the identification and management of issues; and
 - 4.2.3 monitoring and controlling project plans.
- 4.3 The Risk Register shall be updated by the Supplier and submitted for review by the Risk Management Board.

5. Annual Review

- 5.1 An annual review meeting shall be held throughout the Term on a date to be agreed between the Parties.
- 5.2 The meetings shall be attended by the Executive Sponsor (where appropriate), Supplier Representative, Key Account Manager of the Supplier and the Authority Representative (where appropriate), Associate Commercial Specialist, Commercial Lead, Contract Senior Escalation and Operational Contract Escalation of the Authority and any other persons considered by the Authority necessary for the review.

Annex 1: Monthly Review Board

Monthly Review Board	
Required pre-meeting activities	Provision of Supplier Performance Report Review of Supplier Performance Report Provision and agreement of Agenda Arrangement of venue / meeting room Review and update of Action Points Identification of additional representatives
Chaired By	Authority Chairperson
Agenda Set By (5 days in advance of meeting)	Authority
Core Membership DWP	Operational Contract Manager Commercial Practitioner (Contract Manager or Performance Manager as specified in the contract) Commercial Lead (Optional) Other DWP nominated representative(s) as appropriate (e.g. Finance) Live Service Manager (Digital Group) – If applicable
Core Membership Supplier	Supplier Performance Manager(s) Other Supplier nominated representative(s) as appropriate (e.g. Finance)
Terms Of Reference	<ol style="list-style-type: none"> Review of Action Point Log from previous meetings Review the Supplier Performance Report for the preceding month. May include; <ol style="list-style-type: none"> Supplier performance against Service Levels / KPIs Review of applicability of Service Levels / KPIs Review and agree Exceptions Service Charges and Service Credits Service Availability (non IT Incidents & IT Outages) Review of Risks / Issues Analyse summary data of Incidents Changes to People / Processes during the reporting period Summary of Change Requests Volumetric Data Trend Analysis – Forecast v Actual Customer Satisfaction Supplier Performance Remediation Plans (if applicable) Financial Review of Actual against Forecast expenditure <ol style="list-style-type: none"> Review agreed Cost Model Cost reduction measures Review forecast Review of Savings opportunities Supplier Risk Review
Planned Start Date	June 2024, monthly thereafter
Frequency	Monthly
Location	To be confirmed

Annex 2: Quarterly Strategic Review Boards

Quarterly Strategic Review Board	
Required pre-meeting activities	Supplier to draft Agenda – to be agreed by DWP
Chaired By	Chairperson (DWP Commercial Lead)
Agenda Set By (5 days in advance of meeting)	DWP Commercial Lead
Core Membership DWP	Commercial Lead Commercial Practitioner Operational Contract Management Representative(s) Finance Business Partner Other DWP nominated representative(s) as appropriate (e.g. Security) Senior Product Lead (Digital Group) – if applicable
Core Membership Supplier	Key Account Manager / Director Supplier Performance Manager(s) – if applicable Senior Commercial Manager – if applicable Other Supplier nominated representative(s) as appropriate (e.g. Finance)
Terms Of Reference	<ol style="list-style-type: none"> 1. Review of Action Point Log from previous Quarterly Strategic Review Board 2. Review Quarterly Performance which may include: <ol style="list-style-type: none"> a) Service Performance – SLAs, KPIs b) Financial Performance 3. Financial Review of Actual against Forecast expenditure <ol style="list-style-type: none"> a) Review agreed Cost Model b) Cost reduction measures c) Review forecast 4. Security Governance Review (if applicable) 5. Review of Innovation and Savings Opportunities 6. Supplier Risk Review
Planned Start Date	February 2025, quarterly thereafter
Frequency	Quarterly
Location	To be confirmed

Annex 3: Annual Strategic Review Board

Annual Strategic Review Board	
Required pre-meeting activities	Supplier to draft Agenda - to be agreed by DWP Provision of Senior Briefing Provision of Annual Financial Summary
Chaired By	Chairperson (Supplier Key Account Manager)
Agenda Set By (10 days in advance of meeting)	Supplier Key Account Manager
Core Membership DWP	Commercial Specialist Operational Contract Management Representative Finance Business Partner Other DWP nominated representative(s) as appropriate (e.g. Security)
Core Membership Supplier	Key Account Manager / Director Supplier Performance Manager(s) – if applicable Senior Commercial Manager – if applicable Other Supplier nominated representative(s) as appropriate (e.g. Finance)
Terms Of Reference	<ol style="list-style-type: none"> Annual Contract Performance Overview <ol style="list-style-type: none"> Innovation Delivered and Opportunities Service Performance – SLAs, KPIs Financial Performance DWP Business Strategy Overview Supplier Business Strategy Overview Supplier to present financial summary using Open Book Contract Management Principles <ol style="list-style-type: none"> Revenue profile; Profit profile; New business profile; Account standing; Supplier investment; Cost reduction measures; Financial stability Innovation and Savings <ol style="list-style-type: none"> Review year to date outcomes Present and agree future opportunities Supplier Risk Review
Planned Start Date	First anniversary of the Effective Date, annual thereafter
Frequency	Annual
Location	To be confirmed

Schedule 22

Change Control Procedure

Schedule 22: Change Control Procedure

1. Definitions

1.1 In this Schedule, the following definitions shall apply:

“Authority Change Manager”	the person appointed to that position by the Authority from time to time and notified in writing to the Supplier or, if no person is notified, the Authority Representative;
“Change Communication”	any Change Request, Impact Assessment, Change Authorisation Note or other communication sent or required to be sent pursuant to this Schedule;
“Fast-track Change”	any Contract Change which the Parties agree to expedite in accordance with Paragraph 8;
“Impact Assessment”	an assessment of a Change Request in accordance with Paragraph 5;
“Impact Assessment Estimate”	has the meaning given in Paragraph 4.3;
“Receiving Party”	the Party which receives a proposed Contract Change; and
“Supplier Change Manager”	the person appointed to that position by the Supplier from time to time and notified in writing to the Authority or, if no person is notified, the Supplier Representative.

2. General Principles of Change Control Procedure

- 2.1 This Schedule sets out the procedure for dealing with Changes.
- 2.2 Operational Changes shall be processed in accordance with Paragraph 9. If either Party is in doubt about whether a change falls within the definition of an Operational Change, then it must be processed as a Contract Change.
- 2.3 The Parties shall deal with Contract Change as follows:
- 2.3.1 either Party may request a Contract Change which they shall initiate by issuing a Change Request in accordance with Paragraph 4;
 - 2.3.2 unless this Contract otherwise requires, the Supplier shall assess and document the potential impact of a proposed Contract Change in accordance with Paragraph 5 before the Contract Change can be either approved or implemented;
 - 2.3.3 the Authority shall have the right to request amendments to a Change Request, approve it or reject it in the manner set out in Paragraph 6;

- 2.3.4 the Supplier shall have the right to reject a Change Request solely in the manner set out in Paragraph 7;
 - 2.3.5 save as otherwise provided in this Contract, no proposed Contract Change shall be implemented by the Supplier until a Change Authorisation Note has been signed and issued by the Authority in accordance with Paragraph 6.2; and
 - 2.3.6 if a proposed Contract Change is a Fast-track Change, it shall be processed in accordance with Paragraph 8.
- 2.4 To the extent that any Contract Change requires testing and/or a programme for implementation, then the Parties shall follow the procedures set out in Schedule 14 (Testing Procedures), and, where appropriate, the Change Authorisation Note relating to such a Contract Change shall specify Milestones and/or a Key Milestone and Milestone Date(s) in respect of such Contract Change for the purposes of such procedures.
- 2.5 Until a Change Authorisation Note has been signed and issued by the Authority in accordance with Paragraph 6.2, then:
- 2.5.1 unless the Authority expressly agrees (or requires) otherwise in writing, the Supplier shall continue to supply the Services in accordance with the existing terms of this Contract as if the proposed Contract Change did not apply; and
 - 2.5.2 any discussions, negotiations or other communications which may take place between the Authority and the Supplier in connection with any proposed Contract Change, including the submission of any Change Communications, shall be without prejudice to each Party's other rights under this Contract.
- 2.6 The Authority shall:
- 2.6.1 within 15 Working Days of the Authority's signature and issue of a Change Authorisation Note, upload to the Authority's e-sourcing platform a copy of this Contract updated to reflect all Contract Changes agreed in the relevant Change Authorisation Note and annotated with a reference to the Change Authorisation Note pursuant to which the relevant Contract Changes were agreed.

3. Costs

- 3.1 Subject to Paragraph 3.3:
- 3.1.1 the costs of preparing each Change Request shall be borne by the Party making the Change Request; and
 - 3.1.2 the costs incurred by the Supplier in undertaking an Impact Assessment shall be borne by the Party making the Change Request provided that the Authority shall not be required to pay any such costs if:
 - (a) such costs are below £5,000;

- (b) the Supplier is able to undertake the Impact Assessment by using resources already deployed in the provision of the Services; or
- (c) such costs exceed those in the accepted Impact Assessment Estimate.

- 3.2 The cost of any Contract Change shall be calculated and charged in accordance with the principles and day rates or day costs (as applicable) set out in Schedule 15 (*Charges and Invoicing*). The Supplier shall be entitled to increase the Charges only if it can demonstrate in the Impact Assessment that the proposed Contract Change requires additional resources and, in any event, any change to the Charges resulting from a Contract Change (whether the change will cause an increase or a decrease in the Charges) will be strictly proportionate to the increase or decrease in the level of resources required for the provision of the Services as amended by the Contract Change.
- 3.3 Both Parties' costs incurred in respect of any use of this Change Control Procedure as a result of any error or Default by the Supplier shall be paid for by the Supplier.

4. Change Request

- 4.1 Either Party may issue a Change Request to the other Party at any time during the Term. A Change Request shall be substantially in the form of Annex 1: Change Request Form and state whether the Party issuing the Change Request considers the proposed Contract Change to be a Fast-track Change.
- 4.2 If the Supplier issues the Change Request, then it shall also provide an Impact Assessment in substantially the same form as set out as Annex 2 to the Authority as soon as is reasonably practicable but in any event within 10 Working Days of the date of issuing the Change Request.
- 4.3 If the Authority issues the Change Request, then the Supplier shall provide as soon as reasonably practicable and in any event within ten (10) Working Days of the date of receiving the Change Request an estimate ("**Impact Assessment Estimate**") of the cost of preparing an Impact Assessment and the timetable for preparing it. The timetable shall provide for the completed Impact Assessment to be received by the Authority within ten (10) Working Days of acceptance of the Impact Assessment Estimate or within any longer time period agreed by the Authority.
- 4.4 If the Authority accepts an Impact Assessment Estimate then following receipt of notice of such acceptance the Supplier shall provide the completed Impact Assessment to the Authority as soon as is reasonably practicable and in any event within the period agreed in the Impact Assessment Estimate. If the Supplier requires any clarification in relation to the Change Request before it can deliver the Impact Assessment, then it shall promptly make a request for clarification to the Authority and provided that sufficient information is received by the Authority to fully understand:
- 4.4.1 the nature of the request for clarification; and
 - 4.4.2 the reasonable justification for the request;
- the time period to complete the Impact Assessment shall be extended by the time

taken by the Authority to provide that clarification. The Authority shall respond to the request for clarification as soon as is reasonably practicable.

5. Impact Assessment

- 5.1 Each Impact Assessment shall be completed in good faith and shall include:
 - 5.1.1 details of the proposed Contract Change including the reason for the Contract Change;
 - 5.1.2 details of the impact of the proposed Contract Change on the Services and the Supplier's ability to meet its other obligations under this Contract;
 - 5.1.3 any variation to the terms of this Contract that will be required as a result of that impact, including changes to:
 - (a) the Services Description, the Performance Indicators and/or the Target Performance Levels;
 - (b) the format of Authority Data, as set out in the Services Description;
 - (c) the Milestones, Implementation Plan and any other timetable previously agreed by the Parties;
 - (d) other services provided by third party contractors to the Authority, including any changes required by the proposed Contract Change to the Authority's IT infrastructure;
 - 5.1.4 details of the cost of implementing the proposed Contract Change;
 - 5.1.5 details of the ongoing costs required by the proposed Contract Change when implemented, including any increase or decrease in the Charges, any alteration in the resources and/or expenditure required by either Party and any alteration to the working practices of either Party;
 - 5.1.6 a timetable for the implementation, together with any proposals for the testing of the Contract Change;
 - 5.1.7 details of how the proposed Contract Change will ensure compliance with any applicable Change in Law; and
 - 5.1.8 such other information as the Authority may reasonably request in (or in response to) the Change Request.
- 5.2 If the Contract Change involves the processing or transfer of any Personal Data subject to UK GDPR outside the UK or the processing or transfer of any Personal Data subject to EU GDPR outside the EU, the preparation of the Impact Assessment shall also be subject to Clause 21 (*Protection of Personal Data*).
- 5.3 Subject to the provisions of Paragraph 5.45.4, the Authority shall review the Impact Assessment and respond to the Supplier in accordance with Paragraph 6 within 15 Working Days of receiving the Impact Assessment.
- 5.4 If the Authority is the Receiving Party and the Authority reasonably considers that it requires further information regarding the proposed Contract Change so that it may

properly evaluate the Change Request and the Impact Assessment, then within 5 Working Days of receiving the Impact Assessment, it shall notify the Supplier of this fact and detail the further information that it requires. The Supplier shall then re-issue the relevant Impact Assessment to the Authority within 10 Working Days of receiving such notification. At the Authority's discretion, the Parties may repeat the process described in this Paragraph 5.45.4 until the Authority is satisfied that it has sufficient information to properly evaluate the Change Request and Impact Assessment.

- 5.5 The calculation of costs for the purposes of Paragraphs 5.1.4 and 5.1.55.1.5 shall:
- 5.5.1 be based on the Financial Model;
 - 5.5.2 facilitate the Financial Transparency Objectives;
 - 5.5.3 include estimated volumes of each type of resource to be employed and the applicable rate card;
 - 5.5.4 include full disclosure of any assumptions underlying such Impact Assessment;
 - 5.5.5 include evidence of the cost of any assets required for the Change; and
 - 5.5.6 include details of any new Sub-contracts necessary to accomplish the Change.

6. Authority's Right of Approval

- 6.1 Within 15 Working Days of receiving the Impact Assessment from the Supplier or within 10 Working Days of receiving the further information that it may request pursuant to Paragraph 5.4, the Authority shall evaluate the Change Request and the Impact Assessment and shall do one of the following:
- 6.1.1 approve the proposed Contract Change, in which case the Parties shall follow the procedure set out in Paragraph 6.2;
 - 6.1.2 in its absolute discretion reject the Contract Change, in which case it shall notify the Supplier of the rejection. The Authority shall not reject any proposed Contract Change to the extent that the Contract Change is necessary for the Supplier or the Services to comply with any Changes in Law. If the Authority does reject a Contract Change, then it shall explain its reasons in writing to the Supplier as soon as is reasonably practicable following such rejection; or
 - 6.1.3 in the event that it reasonably believes that a Change Request or Impact Assessment contains errors or omissions, require the Supplier to modify the relevant document accordingly, in which event the Supplier shall make such modifications within 5 Working Days of such request. Subject to Paragraph 5.4, on receiving the modified Change Request and/or Impact Assessment, the Authority shall approve or reject the proposed Contract Change within 10 Working Days.
- 6.2 If the Authority approves the proposed Contract Change pursuant to Paragraph 6.1 and it has not been rejected by the Supplier in accordance with Paragraph 7, then it shall inform the Supplier and the Supplier shall prepare two copies of a Change

Authorisation Note in a form substantially as set out in Annex 3 which it shall sign and deliver to the Authority for its signature. Following receipt by the Authority of the Change Authorisation Note, it shall sign both copies and return one copy to the Supplier. On the Authority's signature the Change Authorisation Note shall constitute (or, where the Authority has agreed to or required the implementation of a Change prior to signature of a Change Authorisation Note), shall constitute confirmation of a binding variation to this Contract.

- 6.3 If the Authority does not sign the Change Authorisation Note within 10 Working Days of receipt, then the Supplier shall have the right to notify the Authority and if the Authority does not sign the Change Authorisation Note within 5 Working Days of such notification, then the Supplier may refer the matter to the Expedited Dispute Timetable pursuant to the Dispute Resolution Procedure.

7. Supplier's Right of Approval

- 7.1 Following an Impact Assessment, if:

7.1.1 the Supplier reasonably believes that any proposed Contract Change which is requested by the Authority would:

- (a) materially and adversely affect the risks to the health and safety of any person; and/or
- (b) require the Services to be performed in a way that infringes any Law; and/or

7.1.2 the Supplier demonstrates to the Authority's reasonable satisfaction that the proposed Contract Change is technically impossible to implement and neither the Supplier Solution nor the Services Description state that the Supplier does have the technical capacity and flexibility required to implement the proposed Contract Change,

then the Supplier shall be entitled to reject the proposed Contract Change and shall notify the Authority of its reasons for doing so within 5 Working Days after the date on which it is obliged to deliver the Impact Assessment pursuant to Paragraph 4.3.

8. Fast-Track Changes

- 8.1 The Parties acknowledge that to ensure operational efficiency there may be circumstances where it is desirable to expedite the processes set out above.

- 8.2 If:

8.2.1 the total number of Contract Changes in relation to which this Fast-track Change procedure has been applied does not exceed 4 in any 12 month period; and

8.2.2 both Parties agree the value of the proposed Contract Change over the remaining Term and any period for which Termination Services may be required does not exceed £300,000 and the proposed Contract Change is not significant (as determined by the Authority acting reasonably),

then the Parties shall confirm to each other in writing that they shall use the process

set out in Paragraphs 4, 5, 6 and 7 but with reduced timescales, such that any period of 15 Working Days is reduced to 5 Working Days, any period of 10 Working Days is reduced to 2 Working Days and any period of 5 Working Days is reduced to 1 Working Day.

- 8.3 The Parties may agree in writing to revise the parameters set out in Paragraph 8.2 from time to time or that the Fast-track Change procedure shall be used in relation to a particular Contract Change notwithstanding that the total number of Contract Changes to which such procedure is applied will then exceed 4 in a 12 month period.

9. Operational Change Procedure

- 9.1 Any Operational Changes identified by the Supplier to improve operational efficiency of the Services may be implemented by the Supplier without following the Change Control Procedure for proposed Contract Changes provided they do not:
- 9.1.1 have an impact on the business of the Authority;
 - 9.1.2 require a change to this Contract;
 - 9.1.3 have a direct impact on use of the Services; or
 - 9.1.4 involve the Authority in paying any additional Charges or other costs.
- 9.2 The Authority may request an Operational Change by submitting a written request for Operational Change (“**RFOC**”) to the Supplier Representative.
- 9.3 The RFOC shall include the following details:
- 9.3.1 the proposed Operational Change; and
 - 9.3.2 the time-scale for completion of the Operational Change.
- 9.4 The Supplier shall inform the Authority of any impact on the Services that may arise from the proposed Operational Change.
- 9.5 The Supplier shall complete the Operational Change by the timescale specified for completion of the Operational Change in the RFOC, and shall promptly notify the Authority when the Operational Change is completed.

10. Communications

- 10.1 For any Change Communication to be valid under this Schedule, it must be sent to either the Authority Change Manager or the Supplier Change Manager, as applicable. The provisions of Clause 42 (*Notices*) shall apply to a Change Communication as if it were a notice.

Annex 1: Change Request Form

CR NO.:	TITLE:	TYPE OF CHANGE:
CONTRACT:		REQUIRED BY DATE:
ACTION:	NAME:	DATE:
RAISED BY:		
AREA(S) IMPACTED (<i>OPTIONAL FIELD</i>):		
ASSIGNED FOR IMPACT ASSESSMENT BY:		
ASSIGNED FOR IMPACT ASSESSMENT TO:		
SUPPLIER REFERENCE NO.:		
FULL DESCRIPTION OF REQUESTED CONTRACT CHANGE (INCLUDING PROPOSED CHANGES TO THE WORDING OF THE CONTRACT):		
DETAILS OF ANY PROPOSED ALTERNATIVE SCENARIOS:		
REASONS FOR AND BENEFITS AND DISADVANTAGES OF REQUESTED CONTRACT CHANGE:		
SIGNATURE OF REQUESTING CHANGE OWNER:		
DATE OF REQUEST:		

Annex 2: Impact Assessment

(FOR COMPLETION BY SUPPLIER)

Change Request No:	Contract Title & Contract Number:	Contractor Name & Registered No:
Contract Change Title:		Contract Change Implementation Date:
Full Details Of The Impact The Proposed Contract Change Will Have On The Services And Your Ability To Meet Your Other Obligations Under This Contract:		
<p>Any Additional Changes To This Contract That Will Be Required As A Result Of The Change – Including Any:</p> <ol style="list-style-type: none"> 1. Service/Service Levels/Performance Levels 2. Format Of Authority Data 3. Timetable For The Implementation, Including Testing 4. Amendments To Contract Wording 5. Cost Of Implementing The Change – Ongoing/Increase/Decrease In Costs 6. Alteration In Resources – Estimated Volumes And Applicable Rates 		
Impact Assessment Completed By: (Name & Position In Organisation)		
(For Completion By DWP)		
Impact Assessment Approved By: (Name & Date)		
Impact Assessment Rejected By: (Name & Date)		
Reason For Rejection:		

Annex 3: Change Authorisation Note

Cr No.:	Title:	Date Raised:
Contract:	Type Of Change:	Required By Date:
[Key Milestone Date: <i>[If Any]</i>]		
Detailed Description Of Contract Change For Which Impact Assessment Is Being Prepared And Wording Of Related Changes To The Contract:		
Proposed Adjustment To The Charges Resulting From The Contract Change:		
Details Of Proposed One-Off Additional Charges And Means For Determining These (E.G. Fixed Price Basis):		
Signed On Behalf Of The Authority:		Signed On Behalf Of The Supplier:
Signature:_____		Signature:_____
Name:_____		Name:_____
Position:_____		Position:_____
Date:_____		Date:_____

Schedule 23

Dispute Resolution Procedure

Schedule 23: Dispute Resolution Procedure

1. Definitions

1.1 In this Schedule, the following definitions shall apply:

“CEDR”	the Centre for Effective Dispute Resolution of International Dispute Resolution Centre 1 Patternoster Lane, St Paul’s, London, EC4M 7BQ;
“Counter Notice”	has the meaning given in Paragraph 7.2;
“Expert”	in relation to a Dispute, a person appointed in accordance with Paragraph 6.2 to act as an expert in relation to that Dispute;
“Expert Determination”	determination by an Expert in accordance with Paragraph 6;
“Mediation Notice”	has the meaning given in Paragraph 4.2;
“Mediator”	the independent third party appointed in accordance with Paragraph 5.2 to mediate a Dispute;
“Multi-Party Dispute”	a Dispute which involves the Parties and one or more Related Third Parties;
“Multi-Party Dispute Representatives”	has the meaning given in Paragraph 9.6;
“Multi-Party Dispute Resolution Board”	has the meaning given in Paragraph 9.6;
“Related Third Party”	a party to: (a) another contract with the Authority or the Supplier which is relevant to this Contract; or (b) a Sub-contract; and
“Supplier Request”	a notice served by the Supplier requesting that the Dispute be treated as a Multi-Party Dispute, setting out its grounds for that request and specifying each Related Third Party that it believes should be involved in the Multi-Dispute Resolution Procedure in respect of that Dispute.

2. Dispute Notices

2.1 If a Dispute arises then:

2.1.1 the Authority Representative and the Supplier Representative shall attempt in

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good faith to resolve the Dispute; and

- 2.1.2 if such attempts are not successful within a reasonable period, not being longer than 20 Working Days, either Party may issue to the other a Dispute Notice.

2.2 A Dispute Notice:

- 2.2.1 shall set out:

- (a) the material particulars of the Dispute;
- (b) the reasons why the Party serving the Dispute Notice believes that the Dispute has arisen; and
- (c) if the Party serving the Dispute Notice believes that the Dispute should be dealt with under the Expedited Dispute Timetable, the reason why; and

- 2.2.2 may specify in accordance with the requirements of Paragraphs 9.2 and 9.3 that the Party issuing the Dispute Notice has determined (in the case of the Authority) or considers (in the case of the Supplier) that the Dispute is a Multi-Party Dispute, in which case Paragraph 2.3 shall apply.

2.3 If a Dispute Notice specifies that the Dispute has been determined or is considered to be a Multi-Party Dispute pursuant to Paragraph 2.2.2, then:

- 2.3.1 if it is served by the Authority it shall be treated as a Multi-Party Procedure Initiation Notice; and

- 2.3.2 if it is served by the Supplier it shall be treated as a Supplier Request,

and in each case the provisions of Paragraph 9 shall apply.

2.4 Subject to Paragraphs 2.5 and 3.2 and so long as the Authority has not served a Multi-Party Procedure Initiation Notice in respect of the relevant Dispute, following the issue of a Dispute Notice the Parties shall seek to resolve the Dispute:

- 2.4.1 first by commercial negotiation (as prescribed in Paragraph 4);

- 2.4.2 then, if either Party serves a Mediation Notice, by mediation (as prescribed in Paragraph 5); and

- 2.4.3 lastly by recourse to arbitration (as prescribed in Paragraph 7) or litigation (in accordance with Clause 44 (*Governing Law and Jurisdiction*)).

2.5 Specific issues shall be referred to Expert Determination (as prescribed in Paragraph 6) where specified under the provisions of this Contract and may also be referred to Expert Determination where otherwise appropriate as specified in Paragraph 6.1.

2.6 Unless agreed otherwise in writing, the Parties shall continue to comply with their respective obligations under this Contract regardless of the nature of the Dispute and notwithstanding any issue of a Dispute Notice or a Multi-Party Procedure Initiation Notice or proceedings under Paragraph 8 (*Urgent Relief*).

3. Expedited Dispute Timetable

- 3.1 In exceptional circumstances where the use of the times in this Schedule would be unreasonable, including (by way of example) where one Party would be materially disadvantaged by a delay in resolving the Dispute, the Parties may agree to use the Expedited Dispute Timetable. If the Parties are unable to reach agreement on whether to use the Expedited Dispute Timetable within 5 Working Days of the issue of a Dispute Notice, the use of the Expedited Dispute Timetable shall be at the sole discretion of the Authority.
- 3.2 If the Expedited Dispute Timetable is to be used pursuant to the provisions of Paragraph 3.1 or is otherwise specified under the provisions of this Contract, then the following periods of time shall apply in lieu of the time periods specified in the applicable Paragraphs:
- 3.2.1 in Paragraph 4.2.3, 10 Working Days;
 - 3.2.2 in Paragraph 5.2, 10 Working Days;
 - 3.2.3 in Paragraph 6.2, 5 Working Days; and
 - 3.2.4 in Paragraph 7.2, 10 Working Days.
- 3.3 If at any point it becomes clear that an applicable deadline cannot be met or has passed, the Parties may (but shall be under no obligation to) agree in writing to extend the deadline. If the Parties fail to agree within 2 Working Days after the deadline has passed, the Authority may set a revised deadline provided that it is no less than 5 Working Days before the end of the period of time specified in the applicable Paragraphs (or 2 Working Days in the case of Paragraph 6.2). Any agreed extension shall have the effect of delaying the start of the subsequent stages by the period agreed in the extension. If the Authority fails to set such a revised deadline then the use of the Expedited Dispute Timetable shall cease and the normal time periods shall apply from that point onwards.

4. Commercial Negotiation

- 4.1 Following the service of a Dispute Notice, then, so long as the Authority has not served a Multi-Party Procedure Initiation Notice in respect of the relevant Dispute, the Authority and the Supplier shall make reasonable endeavours to resolve the Dispute as soon as possible by commercial negotiation between the Authority's **Associate Commercial Specialist** and the Supplier's [Redacted].
- 4.2 If:
- 4.2.1 either Party is of the reasonable opinion that the resolution of a Dispute by commercial negotiation, or the continuance of commercial negotiation, will not result in an appropriate solution;
 - 4.2.2 the Parties have already held discussions of a nature and intent (or otherwise were conducted in the spirit) that would equate to the conduct of commercial negotiation in accordance with this Paragraph 4; or
 - 4.2.3 the Parties have not settled the Dispute in accordance with Paragraph 4.1 within 30 Working Days of service of the Dispute Notice,

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either Party may serve a written notice to proceed to mediation in accordance with Paragraph 5 (a “**Mediation Notice**”).

5. Mediation

- 5.1 If a Mediation Notice is served, the Parties shall attempt to resolve the dispute in accordance with the version of CEDR’s Model Mediation Procedure which is current at the time the Mediation Notice is served (or such other version as the Parties may agree).
- 5.2 If the Parties are unable to agree on the joint appointment of an independent person to mediate the Dispute within 20 Working Days from (and including) the service of a Mediation Notice then either Party may apply to CEDR to nominate such a person.
- 5.3 If the Parties are unable to reach a settlement in the negotiations at the mediation, and only if both Parties so request and the Mediator agrees, the Mediator shall produce for the Parties a non-binding recommendation on terms of settlement. This shall not attempt to anticipate what a court might order but shall set out what the Mediator suggests are appropriate settlement terms in all of the circumstances.
- 5.4 Any settlement reached in the mediation shall not be legally binding until it has been reduced to writing and signed by, or on behalf of, the Parties (in accordance with the Change Control Procedure where appropriate). The Mediator shall assist the Parties in recording the outcome of the mediation.

6. Expert Determination

- 6.1 If a Dispute relates to any aspect of the technology underlying the provision of the Services or otherwise relates to a technical matter of an IT, accounting or financing nature and the Dispute has not been resolved by commercial negotiation in accordance with Paragraph 4 or, if applicable, mediation in accordance with Paragraph 5, then either Party may by written notice to the other request (agreement to which request shall not be unreasonably withheld or delayed) that the Dispute be referred to an expert for determination.
- 6.2 The expert shall be appointed by agreement in writing between the Parties, but in the event of a failure to agree within 10 Working Days of the relevant request made pursuant to Paragraph 6.1, or if the person appointed is unable or unwilling to act, the expert shall be appointed:
 - 6.2.1 if the Dispute relates to any aspect of the technology underlying the provision of the Services or a matter of an IT technical nature, on the instructions of the President of the British Computer Society (or any other association that has replaced the British Computer Society);
 - 6.2.2 if the Dispute relates to a matter of a financial technical nature, on the instructions of the President of the Institute of Chartered Accountants of England and Wales; or
 - 6.2.3 if the Dispute relates to a matter of a technical nature not falling within Paragraphs 6.2.1 or 6.2.2, on the instructions of the president (or equivalent) of:
 - (a) an appropriate body agreed between the Parties; or
 - (b) if the Parties do not reach agreement on the relevant body within 15 Working Days of the relevant request made pursuant to

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Paragraph 6.1, such body as may be specified by the President of the Law Society on application by either Party.

6.3 The Expert shall act on the following basis:

- 6.3.1 they shall act as an expert and not as an arbitrator and shall act fairly and impartially;
- 6.3.2 the Expert's determination shall (in the absence of a material failure to follow the agreed procedures) be final and binding on the Parties;
- 6.3.3 the Expert shall decide the procedure to be followed in the determination and shall be requested to make his/her determination within 30 Working Days of his appointment or as soon as reasonably practicable thereafter and the Parties shall assist and provide the documentation that the Expert requires for the purpose of the determination;
- 6.3.4 any amount payable by one Party to another as a result of the Expert's determination shall be due and payable within 20 Working Days of the Expert's determination being notified to the Parties;
- 6.3.5 the process shall be conducted in private and shall be confidential; and
- 6.3.6 the Expert shall determine how and by whom the costs of the determination, including his/her fees and expenses, are to be paid.

7. Arbitration

- 7.1 Subject to compliance with its obligations under Paragraph 4.1 and to the provisions of Paragraph 6, the Authority may at any time before court proceedings are commenced refer the Dispute to arbitration in accordance with the provisions of Paragraph 7.5.
- 7.2 Before the Supplier commences court proceedings or arbitration, it shall serve written notice on the Authority of its intentions and the Authority shall have 15 Working Days following receipt of such notice to serve a reply (a "**Counter Notice**") on the Supplier requiring the Dispute to be referred to and resolved by arbitration in accordance with Paragraph 7.5 or be subject to the exclusive jurisdiction of the courts of England and Wales. The Supplier shall not commence any court proceedings or arbitration until the expiry of such 15 Working Day period.
- 7.3 If the Authority serves a Counter Notice, then:
 - 7.3.1 if the Counter Notice requires the Dispute to be referred to arbitration, the provisions of Paragraph 7.5 shall apply; or
 - 7.3.2 if the Counter Notice requires the Dispute to be subject to the exclusive jurisdiction of the courts of England and Wales, the Dispute shall be so referred to those courts and the Supplier shall not commence arbitration proceedings.
- 7.4 If the Authority does not serve a Counter Notice within the 15 Working Day period referred to in Paragraph 7.2, the Supplier may either commence arbitration proceedings in accordance with Paragraph 7.5 or commence court proceedings in the Courts of England and Wales which shall (in those circumstances) have exclusive jurisdiction.

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- 7.5 The Parties hereby confirm that if any arbitration proceedings are commenced pursuant to Paragraphs 7.1 to 7.4:
- 7.5.1 the Dispute shall be referred to and finally resolved by arbitration under the Rules of the London Court of International Arbitration (“**LCIA**”) (subject to Paragraphs 7.5.5, 7.5.6 and 7.5.7);
 - 7.5.2 the arbitration shall be administered by the LCIA;
 - 7.5.3 the LCIA procedural rules in force at the date that the Dispute was referred to arbitration shall be applied and are deemed to be incorporated by reference into this Contract and the decision of the arbitrator shall be binding on the Parties in the absence of any material failure to comply with such rules;
 - 7.5.4 if the Parties fail to agree the appointment of the arbitrator within 10 Working Days from the date on which arbitration proceedings are commenced or if the person appointed is unable or unwilling to act, the arbitrator shall be appointed by the LCIA;
 - 7.5.5 the chair of the arbitral tribunal shall be British;
 - 7.5.6 the arbitration proceedings shall take place in London and in the English language; and
 - 7.5.7 the seat of the arbitration shall be London.

8. Urgent Relief

- 8.1 Either Party may at any time take proceedings or seek remedies before any court or tribunal of competent jurisdiction:
- 8.1.1 for interim or interlocutory remedies in relation to this Contract or infringement by the other Party of that Party’s Intellectual Property Rights; and/or
 - 8.1.2 where compliance with Paragraph 2.1 and/or referring the Dispute to mediation may leave insufficient time for that Party to commence proceedings before the expiry of the limitation period.

9. Multi-Party Disputes

- 9.1 All Multi-Party Disputes shall be resolved in accordance with the procedure set out in this Paragraph 9 (the “**Multi-Party Dispute Resolution Procedure**”).
- 9.2 If at any time following the issue of a Dispute Notice, the Authority reasonably considers that the matters giving rise to the Dispute involve one or more Related Third Parties, then the Authority shall be entitled to determine in its absolute discretion that the Dispute is a Multi-Party Dispute and to serve a notice on the Supplier which sets out the Authority’s determination that the Dispute is a Multi-Party Dispute and specifies the Related Third Parties which are to be involved in the Multi-Party Dispute Resolution Procedure, such notice a “**Multi-Party Procedure Initiation Notice**”.
- 9.3 If following the issue of a Dispute Notice but before the Dispute has been referred to Expert Determination or to arbitration in accordance with Paragraph 7, the Supplier has reasonable grounds to believe that the matters giving rise to the Dispute have been

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contributed to by one or more Related Third Parties, the Supplier may serve a Supplier Request on the Authority.

9.4 The Authority shall (acting reasonably) consider each Supplier Request and shall determine within 5 Working Days whether the Dispute is:

9.4.1 a Multi-Party Dispute, in which case the Authority shall serve a Multi-Party Procedure Initiation Notice on the Supplier; or

9.4.2 not a Multi-Party Dispute, in which case the Authority shall serve written notice of such determination upon the Supplier and the Dispute shall be treated in accordance with Paragraphs 3 to 8.

9.5 If the Authority has determined, following a Supplier Request, that a Dispute is not a Multi-Party Dispute, the Supplier may not serve another Supplier Request with reference to the same Dispute.

9.6 Following service of a Multi-Party Procedure Initiation Notice a Multi-Party Dispute shall be dealt with by a board (in relation to such Multi-Party Dispute, the “**Multi-Party Dispute Resolution Board**”) comprising representatives from the following parties to the Multi-Party Dispute, each of whom shall be of a suitable level of seniority to finalise any agreement with the other parties to settle the Multi-Party Dispute:

9.6.1 the Authority;

9.6.2 the Supplier;

9.6.3 each Related Third Party involved in the Multi-Party Dispute; and

9.6.4 any other representatives of any of the Parties and/or any Related Third Parties whom the Authority considers necessary,

(together “**Multi-Party Dispute Representatives**”).

9.7 The Parties agree that the Multi-Party Dispute Resolution Board shall seek to resolve the relevant Multi-Party Dispute in accordance with the following principles and procedures:

9.7.1 the Parties shall procure that their Multi-Party Dispute Representatives attend, and shall use their best endeavours to procure that the Multi-Party Dispute Representatives of each Related Third Party attend, all meetings of the Multi-Party Dispute Resolution Board in respect of the Multi-Party Dispute;

9.7.2 the Multi-Party Dispute Resolution Board shall first meet within 10 Working Days of service of the relevant Multi-Party Procedure Initiation Notice at such time and place as the Parties may agree or, if the Parties do not reach agreement on the time and place within 5 Working Days of service of the relevant Multi-Party Procedure Initiation Notice, at the time and place specified by the Authority, provided such place is at a neutral location within England and that the meeting is to take place between 9.00am and 5.00pm on a Working Day; and

9.7.3 in seeking to resolve or settle any Multi-Party Dispute, the members of the Multi-Party Dispute Resolution Board shall have regard to the principle that a Multi-Party Dispute should be determined based on the contractual rights and obligations between the Parties and the Related Third Parties and that any

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apportionment of costs should reflect the separate components of the Multi-Party Dispute.

9.8 If a Multi-Party Dispute is not resolved between the Parties and all Related Third Parties within 25 Working Days of the issue of the Multi-Party Procedure Initiation Notice (or such longer period as the Parties may agree in writing), then:

9.8.1 either Party may serve a Mediation Notice in respect of the Multi-Party Dispute in which case Paragraph 5 shall apply;

9.8.2 either Party may request that the Multi-Party Dispute is referred to an expert in which case Paragraph 6 shall apply; and/or

9.8.3 subject to Paragraph 9.9, Paragraph 7 shall apply to the Multi-Party Dispute,

and in each case references to the "Supplier" or the "Parties" in such provisions shall include a reference to all Related Third Parties.

9.9 If a Multi-Party Dispute is referred to arbitration in accordance with Paragraph 7 or a Dispute becomes a Multi-Party Dispute during the course of arbitration proceedings and either Party is unable to compel a Related Third Party to submit to such arbitration proceedings, the Authority or the Supplier may discontinue such arbitration proceedings and instead initiate court proceedings. The costs of any such discontinued arbitration proceedings shall be borne by the Party which is in a direct contractual relationship with the Related Third Party or, where the Related Third Party is a Sub Contractor, by the Supplier.

Schedule 24

Reports and Records Provisions

Schedule 24: Reports and Records Provisions

1. Transparency Reports

- 1.1 Within three (3) months of the Effective Date the Supplier shall provide to the Authority for its approval (such approval not to be unreasonably withheld or delayed) draft reports in accordance with Annex 1 (once approved, the “Transparency Reports”).
- 1.2 If the Authority rejects any draft Transparency Report, the Supplier shall submit a revised version of the relevant report for further approval by the Authority within five (5) days of receipt of any notice of rejection, taking account of any recommendations for revision and improvement to the report provided by the Authority. If the Parties fail to agree on a draft Transparency Report the Authority shall determine what should be included.
- 1.3 The Supplier shall provide accurate and up-to-date versions of each Transparency Report to the Authority at the frequency referred to in Annex 1.
- 1.4 Any disagreement in connection with the preparation and/or approval of Transparency Reports, other than under paragraph 1.2 above in relation to the contents of a Transparency Report, shall be treated as a Dispute.
- 1.5 The requirements for Transparency Reports are in addition to any other reporting requirements in this Contract.

2. Other reports

- 2.1 The Authority may require any or all of the following reports:
 - 2.1.1 delay reports;
 - 2.1.2 reports relating to Testing and tests carried out under Schedule 5: Security Management) and Schedule 26: Service Continuity Plan and Corporate Resolution Planning);
 - 2.1.3 reports which the Supplier is required to supply as part of the Management Information;
 - 2.1.4 annual reports on the Insurances;
 - 2.1.5 security reports; and
 - 2.1.6 Force Majeure Event reports.

3. Records

- 3.1 The Supplier shall retain and maintain all the records (including superseded records) referred to in Paragraph 1 and Annex 1 (together “**Reporting Records**”):
 - 3.1.1 in accordance with the requirements of The National Archives and Good Industry Practice;
 - 3.1.2 in chronological order;
 - 3.1.3 in a form that is capable of audit; and

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- 3.1.4 at its own expense.
- 3.2 The Supplier shall make the Reporting Records available for inspection to the Authority on request, subject to the Authority giving reasonable notice.
- 3.3 Where Reporting Records are retained in electronic form, the original metadata shall be preserved together with all subsequent metadata in a format reasonably accessible to the Authority.
- 3.4 The Supplier shall, during the Term and a period of at least 7 years following the expiry or termination of this Contract, maintain or cause to be maintained complete and accurate documents and records in relation to the provision of the Services including but not limited to all Reporting Records.
- 3.5 Reporting Records that contain financial information shall be retained and maintained in safe storage by the Supplier for a period of at least 7 years after the expiry or termination of this Contract.
- 3.6 Without prejudice to the foregoing, the Supplier shall provide the Authority:
 - 3.6.1 as soon as they are available, and in any event within 60 Working Days after the end of the first 6 months of each financial year of the Supplier during the Term, a copy, certified as a true copy by an authorised representative of the Supplier, of its un-audited interim accounts and, if applicable, of consolidated un-audited interim accounts of the Supplier and its Affiliates which would (if the Supplier were listed on the London Stock Exchange (whether or not it is)) be required to be sent to shareholders as at the end of and for each such 6 month period; and
 - 3.6.2 as soon as they shall have been sent to its shareholders in order to be laid before an annual general meeting of the Supplier, but not later than 130 Working Days after the end of each accounting reference period of the Supplier part or all of which falls during the Term, the Supplier's audited accounts and if applicable, of the consolidated audited accounts of the Supplier and its Affiliates in respect of that period together with copies of all related directors' and auditors' reports and all other notices/circulars to shareholders.

4. Virtual Library

- 4.1 The Supplier shall, no later than eight (8) weeks prior to the Operational Services Commencement Date and without charge to the Authority, create a Virtual Library on which the Supplier shall (subject to any applicable legislation governing the use or processing of personal data) make information about this Contract available in accordance with the requirements outlined in this Schedule.
- 4.2 The Supplier shall ensure that the Virtual Library is:
 - 4.2.1 capable of holding and allowing access to the information described in Annex 3 of this Schedule and includes full and accurate file details of all uploaded items including date and time of upload, version number and the name of the uploader;
 - 4.2.2 structured so that each document uploaded has a unique identifier which is automatically assigned;
 - 4.2.3 readily accessible by the Authority at all times in full via a user-friendly, password

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- protected interface to such nominated users as are notified to the Supplier by the Authority from time to time,
- 4.2.4 structured so as to allow nominated users to download either specific documents or the complete Virtual Library (to the extent it has Access Permission) in bulk and store and view the content offline (on a regular and automated basis);
 - 4.2.5 structured and maintained in accordance with the security requirements as set out in this Contract including those set out in Schedule 5: Security Management);
 - 4.2.6 created and based on open standards in Schedule 4: Standards); and
 - 4.2.7 backed up on a secure off-site system.
- 4.3 For the avoidance of doubt, the Virtual Library (excluding any Software used to host it) shall form a database which constitute Project Specific IPR which shall be assigned to the Authority pursuant to Paragraph 2.1 of Schedule 32: Intellectual Property Rights) of this Contract.
- 4.4 Where the Virtual Library has been created in accordance with paragraph 4.1 by the Initial Upload Date the Supplier shall upload complete and accurate information specified in Annex 3 onto the Virtual Library in the format specified. Where the required information for the Virtual Library is not yet available by the Initial Upload Date the Supplier shall upload such information onto the Virtual Library in the format specified when it is made available.
- 4.5 Upon any document being uploaded to the Virtual Library, and where the Authority has been granted Access Permission to that document, the Supplier shall email on the same date as the upload, a copy of the document to the nominated Authority email address at:
- [redacted]
- 4.6 Except for notices under Clause 42.4 or items covered by Clause 42.6, where the Supplier is under an obligation to provide information to the Authority in a provision under this Contract, then the Supplier's upload of that information onto the Virtual Library shall satisfy the Supplier's obligation to provide the Authority with that information provided that the Authority has access in accordance with this paragraph 4 and the uploaded information meets the requirements more particularly specified in the relevant provision.
- 4.7 Except to the extent that the requirements provide for earlier and more regular Authority access to up-to-date information, Annex 3 shall not take precedence over any other obligation to provide information in this Contract and the Supplier shall refer to the applicable clause for further details as to the requirement.
- 4.8 The Supplier shall provide each specified person (as set out in column 6 of the table at Annex 3) access to view and download the specified information in the Virtual Library in Annex 3 subject upon the occurrence of the event specified in the column marked Access Permission in Annex 3 to this Schedule.
- 4.9 Where Access Permission is not listed (in column 6 of the table at Annex 3) as being subject to the occurrence of a certain event the Supplier shall grant access to the person and information specified (in column 6 of the table at Annex 3) from the Initial Upload Date.
- 4.10 Where Access Permission is specified as being granted to the Authority's Third Party

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Auditor (prior to the Authority being granted access) it shall:

- 4.10.1 be entitled to access, view and download information specified in Annex 3 subject to it entering into a confidentiality agreement with the Supplier to keep the contents confidential (except to the extent disclosure of the confidential information is required under paragraph 4.10(b) of this Schedule); and
- 4.10.2 report to the Authority (at its request) as to the completeness and accuracy of the information but not the substance of the information.
- 4.11 The Supplier shall ensure that the Virtual Library retains in an accessible form all historic or superseded records of the information specified in Annex 3. In order to maintain the integrity of the historic archive of the information and documentation and for the purposes of maintaining a clear audit trail, the Supplier shall not delete or overwrite any information that has been stored in the Virtual Library, except for the purposes of maintenance (provided no information is lost during maintenance) or to enable the Supplier to comply with Data Protection Legislation.
- 4.12 The Supplier warrants that the information uploaded to the Virtual Library is accurate, complete, up-to-date and in accordance with this Contract at the date of upload.
- 4.13 Where the Supplier becomes aware that any of the information provided on the Virtual Library is materially inaccurate, incomplete or out of date (other than in respect of historic versions of documents) the Supplier shall provide an update to the information within fourteen (14) days unless already due to be updated beforehand due to an Update Requirement specified in Annex 3.
- 4.14 In the event of a conflict between any requirement in this Contract (excluding Annex 3) for the Supplier to provide information to the Authority and the requirements set out in Annex 3 of this Schedule, the requirement elsewhere in this Contract shall prevail.
- 4.15 The Supplier shall ensure that all approved users of the Virtual Library are alerted by email each time that information in the Virtual Library is uploaded or updated as it occurs.
- 4.16 No later than one (1) Month prior to the Operational Services Commencement Date, the Supplier shall provide training manuals to the Authority relating to the use of the Virtual Library.
- 4.17 On request by the Authority the Supplier shall provide the Authority's nominated users with a reasonable level of training and ongoing support to enable them to make use of the Virtual Library.
- 4.18 For the avoidance of doubt, the cost of any redactions, access restrictions or compliance with the Data Protection Legislation in respect of the information hosted on the Virtual Library shall be at the Supplier's own cost and expense.

5. General

- 5.1 The Supplier shall work with the Authority to establish and maintain an effective and beneficial working relationship to ensure the Contract is delivered as specified.
- 5.2 The Supplier shall supply information requested relevant to the delivery of the Services to the Authority, using formats and to timescales specified by the Authority in this Schedule.

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- 5.3 Any additional requests for information shall be considered in consultation with the Supplier as shall the process of defining the methods of collection.
- 5.4 Where an ongoing, short-term or one-off requirement is agreed, both Parties agree that it shall be included, or deemed to be included within this Schedule.
- 5.5 Further to the rights granted to the Authority under Schedule 19: Financial Reports and Audit Rights) the Authority may undertake spot checks at any time to ensure that the Supplier is complying with its obligations under this Contract and the Supplier shall co-operate fully, at its own cost, with the Authority.
- 5.6 The Supplier must manage and report on any sub-contractual arrangements including by creating and implementing mechanisms for the provision of management information, including feedback to and from customers and stakeholders; change control procedures and the prompt resolution of any problems. The Authority will agree with the Supplier day-to-day relationship management, contact points, communication flows and escalation procedures.

6. Access

- 6.1 In all instances, the Supplier shall co-operate and provide such reasonable assistance as may be necessary to facilitate such monitoring in relation to the Contract. Failure to provide such reasonable assistance shall be deemed a Default.

7. Health and Safety Responsibilities of the Authority's Representatives

- 7.1 The representatives of the Authority may visit the Supplier and its Sub-Contractors for a variety of reasons, including undertaking spot checks in accordance with paragraph 5.5 above. In the course of their normal duties such representatives of the Authority may make recommendations in relation to the monitoring of health and safety requirements. In doing this the representatives of the Authority shall not be conducting a health and safety inspection, nor shall they be in a position to offer advice on whether something is safe or not, which shall remain the responsibility of the Supplier. Instead they shall approach this from the position of any lay person. If, however, the representatives of the Authority does notice something on which they require assurance or clarification, they shall raise this with the Supplier or the Sub-Contractor's representative at the location where they are visiting. In no event are the representatives of the Authority to be seen as offering professional advice on health and safety matters and as such, shall not be liable for any advice or comments or otherwise given to the Supplier or its Sub-Contractors or any omission to give such advice, comments or otherwise.

8. DWP Specific Management Information

- 8.1 The Supplier shall supply information listed below relevant to the delivery of the Services to the Authority, using formats and to timescales as specified. This includes but is not limited to:

Supplier Information Required	Frequency or Date Required by
Submit copy of Board Minutes for the Guarantor where a guarantee has been signed	Within four (4) weeks of board meeting

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Sustainable Development Policy Statement & Sustainable Development Plan	Within six (6) months of the Effective Date and at least annually thereafter.
Diversity & Equality Delivery Plan in accordance with Schedule 33	Within six (6) months of the Effective Date and at least annually thereafter.
Workforce Monitoring Template	Within six (6) months of the Effective Date and at least annually thereafter.
HMG Baseline Personnel Security Standard - Supplier's Declaration see HMG Baseline Personnel Security Standard - A Guide for DWP Suppliers	Within four (4) weeks of the Effective Date and submitted for each calendar year thereafter within one Month of the end of each calendar year (i.e. by 31 st January for year ending 31 st December)
Supply chain expenditure with SMEs (Quarterly return)	The Supplier, and where applicable, its Sub-Contractors shall identify the volume of expenditure they undertake with SMEs in the delivery of this Contract and submit this information to the Authority on a quarterly basis.

Annex 1: Transparency Reports

TITLE	CONTENT	FORMAT	FREQUENCY
<p>Top 3 KPIs (per Service Component):</p> <p>Digital Mailroom KPI 4 – Digital Mailroom - 00:00 Agreed Daily Flow of Scanned and Indexed Images</p> <p>KPI 6 – Digital Mailroom - Indexing Accuracy (Primary indicator)</p> <p>KPI 9 – Digital Mailroom – Preparation and scan of bankable documents</p> <p>Records Management KPI 17 – Records Management - Item Intake - Indexed and Non-Indexed (includes Returns)</p> <p>KPI 18 – Records Management – Item Retrieval</p> <p>KPI 20 – Records Management - Destruction</p>	Scorecard	Microsoft Excel	Monthly
Performance	Performance related data as agreed with the Authority during implementation	Microsoft Excel (or suitable alternative)	Monthly
Charges	Monthly Invoice Data	Microsoft Excel	Monthly
Key Sub-Contractors	<p>Format as provided in Schedule 10</p> <p>Where during the Term the Supplier wishes to enter into a new Key Sub-contract or replace a Key Sub-Contractor, it must</p>	Written consent	Within ten (10) Working Days

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	obtain the prior written consent of the Authority in accordance with Clause 15.		
Technical	Technical and system related data as agreed with the Authority during implementation	Microsoft Excel (or suitable alternative)	

Annex 2: Records To Be Kept By The Supplier

The records to be kept by the Supplier are:

1. This Contract, its Schedules and all amendments to such documents.
2. All other documents which this Contract expressly requires to be prepared.
3. Records relating to the appointment and succession of the Supplier Representative and each member of the Key Personnel.
4. Notices, reports and other documentation submitted by any Expert.
5. All operation and maintenance manuals prepared by the Supplier for the purpose of maintaining the provision of the Services and the underlying IT Environment and Supplier Equipment.
6. Documents prepared by the Supplier or received by the Supplier from a third party relating to a Force Majeure Event.
7. All formal notices, reports or submissions made by the Supplier to the Authority Representative in connection with the provision of the Services.
8. All certificates, licences, registrations or warranties in each case obtained by the Supplier in relation to the provision of the Services.
9. Documents prepared by the Supplier in support of claims for the Charges.
10. Documents submitted by the Supplier pursuant to the Change Control Procedure.
11. Documents submitted by the Supplier pursuant to invocation by it or the Authority of the Dispute Resolution Procedure.
12. Documents evidencing any change in ownership or any interest in any or all of the shares in the Supplier and/or the Guarantor, where such change may cause a change of Control; and including documents detailing the identity of the persons changing such ownership or interest.
13. Invoices and records related to VAT sought to be recovered by the Supplier.
14. Financial records, including audited and un-audited accounts of the Guarantor and the Supplier.
15. Records required to be retained by the Supplier by Law, including in relation to health and safety matters and health and safety files and all consents.
16. All documents relating to the insurances to be maintained under this Contract and any claims made in respect of them.
17. All journals and audit trail data referred to in Schedule 5: Security Management).

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18. All other records, notices or certificates required to be produced and/or maintained by the Supplier pursuant to this Contract.

Annex 3: Records to Upload to Virtual Library

Applicable Clause/ Paragraph	Required Data	Format of Data	Initial Upload Date	Update Requirement	Access Permission and Access Event (where applicable)
Clause 2.1.1 Clauses 5.5.5, 5.5.6, and 5.8.2	Documentation	As appropriate and agreed by the Authority	Within seven (7) days of the issue of a Milestone Achievement Certificate in respect of the relevant Deliverable.	-	Authority
Clause 14.3	Key Personnel	Schedule 29	Effective Date	On replacement of Key Personnel	Authority
Schedule 3, Part B Para 2.3	Performance Monitoring Report and the Balanced Scorecard Report	Schedule 3, Part B	Service Commencement	Within ten (10) Working Days of the end of each Service Period	Authority
Schedule 6, Para 4	Evidence of Insurances	Schedule 6	Effective Date	Within fifteen (15) days after policy renewal or replacement	Authority
Schedule 9	Commercially Sensitive Information	Schedule 9	Effective Date	Upon agreement by the Authority to vary the information	Authority and/or Auditor
Clauses 15.10 to 15.13	Notified Key Sub- Contractors	Schedule 10	Effective Date	On replacement of key Sub-Contractor	Authority
Schedule 11, Para 1	Third Party Contracts	Schedule 11	Effective Date	On appointment of sub- contract	Authority

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Applicable Clause/ Paragraph	Required Data	Format of Data	Initial Upload Date	Update Requirement	Access Permission and Access Event (where applicable)
Clause 15.28	Supply chain Transparency Reports	Schedule 24, Annex 4	Thirty (30) days prior to the of the end of each financial year	Every twelve (12) months	Authority
Clause 16 and Schedule 32	Software	Schedule 12 and Annex 1 to Schedule 32	Operational Services Commencement Date	Upon agreement by the Authority to vary the information	Authority
Clause 6.4	Detailed Implementation Plan	Schedule 13, Para 3.2	Within ten (10) Working Days of the Detailed Implementation Plan being approved by the Authority	Every 3 months from Effective Date	Authority
Clause 33.8.8	Annual slavery and human trafficking report	As appropriate and agreed by the Authority	Within twelve (12) months	Every twelve (12) months	Authority
Schedule 14, Para 4	Test Strategy	As appropriate and agreed by the Authority	Within 20 Working Days of Effective Date	Upon update to the test strategy	Authority
Schedule 14, Para 5	Test Plan	As appropriate and agreed by the Authority	Within ten (10) Working Days of the Test Plan being approved by the Authority	Upon update to the test plan	Authority
Schedule 14, Para 8	Test Specification	As appropriate and agreed by the Authority	At least 10 prior Working Days of relevant test	Upon update to the test specification	Authority

Schedule 24: (Reports and Records Provisions)

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Applicable Clause/ Paragraph	Required Data	Format of Data	Initial Upload Date	Update Requirement	Access Permission and Access Event (where applicable)
Schedule 14, Para 8	Test Report	As appropriate and agreed by the Authority	At least 2 Working Days prior to the date on which the test is planned to end for the Draft Test Report 5 Working Days for the Final Test Report following the relevant test completion	Reissue with each retest	Authority
Schedule 15, Part E Para 1.1	Template Invoice	As appropriate and agreed by the Authority	The version for approval, within 10 Working Days of the Effective Date	Upon agreement by the Authority to vary the template	Authority
Schedule 15, Annex 4	Risk Register	Schedule 15, Annex 4	Effective Date	Upon agreement by the Authority to vary the by the Risk Management Board	Authority
Schedule 17, Para 4	Benchmarking Plan	Schedule 17	Upon receipt from Benchmark	Approval of Plan	Authority and Auditor
Schedule 17, Para 5	Benchmarking report	Schedule 17	Upon receipt from Benchmark	Any update	Authority and Auditor
Schedule 19, Part B, para 1.1	Contract Amendment Report	Schedule 19, Part B, para 1.2	Within 1 month of a material change being agreed	Any update	Authority
Schedule 19, para 1.1	Quarterly Contract Report	Schedule 19, Part B, para 1.2	Within 1 month of the end of each Quarter	Quarterly	Authority

Schedule 24: (Reports and Records Provisions)

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Applicable Clause/ Paragraph	Required Data	Format of Data	Initial Upload Date	Update Requirement	Access Permission and Access Event (where applicable)
Schedule 19, Part B, para 1.1	Annual Contract Report	Schedule 19, Part B, para 1.2	Within 1 month of the end of the Contract Year to which that report relates	Annually	Authority
Schedule 19 Part B, para 1.1	Financial Reconciliation Report	Schedule 19, Part B, para 1.2	Within 6 months after the end of the Term	-	Authority
Schedule 21, Para 3	Representation and Structure of boards	Schedule 21 Annex 1	Within 7 days of receipt of intention, or in the case of a non-Authority board member agreement by the Authority	Within 7 days of each Board	Authority
Schedule 21, Para 3.5.5	Minutes of governance meetings (all boards)	As appropriate and agreed by the Authority	Within 7 days of each Board	Within 7 days of each Board	Authority
Schedule 22 Para 4.3	Impact Assessment Estimate	As appropriate and agreed by the Authority	Within 10 Working Days of date of receiving change request.	Any update	Authority
Schedule 22 Para 5	Impact Assessment	As appropriate and agreed by the Authority	Within the period agreed by the Impact Assessment Estimate	Within 10 Working Days of request by the Authority to update under Schedule 22 Para 5.4	Authority
Schedule 22, Para 4	Change Request	Schedule 22, Annex 1	Within 10 Working Days of a Party issuing the Change Request	Within 10 Working Days of a Party issuing a Change Request	Authority

Schedule 24: (Reports and Records Provisions)

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Applicable Clause/ Paragraph	Required Data	Format of Data	Initial Upload Date	Update Requirement	Access Permission and Access Event (where applicable)
Schedule 23, Para 2.1	Dispute Notice	Schedule 23 Para 2.2	No longer than 20 Working Days from an unresolved dispute arising	Any variation	Authority
Schedule 23, Para 2.4	Mediation Notice	As appropriate	When first served	Any variation	Authority
Schedule 24, Para 1	Reports and Records Provisions	Schedule 24, Annex 1	Within 3 months of the Effective Date	Frequency specified in Schedule 24, Annex 1	Authority
Schedule 25, Para 2.1.1	Register of All Assets, Sub-contracts and Other Relevant Agreements	As appropriate and agreed by the Authority	Within 3 months of the Effective Date	Any variation	Authority
Schedule 25, Para 2.1.2	Configuration Database of Technical Infrastructure and Operating Procedures	As appropriate and agreed by the Authority	Within 3 months of the Effective Date	Any variation	Authority
Schedule 25, Para 5.1	Exit Information	As appropriate and agreed by the Authority	On reasonable notice given by the Authority at any point during the Term	Within 10 Working Days of Authority's written request	Authority and its potential Replacement Suppliers
Schedule 25, Para 5.1	Exit Plan	Schedule 25, Para 5.3	Within 3 months of the Effective Date	In the first month of each Contract Year; and Within 14 days if requested by the Authority following a Financial Distress Event Within 20 days after service of Termination	Authority

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Applicable Clause/ Paragraph	Required Data	Format of Data	Initial Upload Date	Update Requirement	Access Permission and Access Event (where applicable)
				Notice or 6 months prior to expiry of the Contract.	
Schedule 25, Para 6.3.5	Provide up to date Registers during the Termination Assistance Period	As appropriate	As requested by the Authority	As appropriate	
Schedule 25, Para 3.1	Authority Data (hand back)	Schedule 25, Para 3 and/or as appropriate and agreed by the Authority	At the end of the Termination Assistance Period	-	Authority
Schedule 25, Annex 1, Para 1, Para 1.2, Para 1.3 & Para 1.4	Termination Services supporting documentation and knowledge transfer material	As appropriate and agreed by the Authority	As specified in the Termination Assistance Notice and in any event prior to the end of the Termination Assistance Period	As specified in the Termination Assistance Notice or otherwise requested by the Authority	
Schedule 26 Service Continuity	Service Continuity Plan	Schedule 26, Para 2.2	Within 40 Working Days from the Effective Date	Schedule 26, Para 7.1	Authority
Schedule 26, Para 7.2	Service Continuity Plan Review Report	Schedule 26, Para 6.2	Within 20 Working Days of the conclusion of each review of the Service Continuity Plan.	Within 20 Working Days of the conclusion of each review of the Service Continuity Plan.	
Schedule 26	Corporate Resolution Planning Information	Schedule 11 Part B, Para 2.3	Schedule 26 Part B Para 2.2	Schedule 26, Para 11.8	Authority

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Applicable Clause/ Paragraph	Required Data	Format of Data	Initial Upload Date	Update Requirement	Access Permission and Access Event (where applicable)
Schedule 28, Part E, Para 1.1	Supplier's Provisional Supplier Personnel List and, Staffing Information	As appropriate and agreed by the Authority	Within 20 Working Days of the events listing in Paragraphs 1.1.1 to 1.1.4 (inclusive) of Part E of Schedule 28	At such intervals as are reasonably requested by the Authority	Authority
Schedule 28, Part E, Para 1.2	Supplier's Final Supplier Personnel List	As appropriate and agreed by the Authority	At least 20 Working Days prior to the Service Transfer Date	Upon any material change to the list of employees	Authority and, at the discretion of the Authority, the Replacement Supplier and/or any Replacement Sub-Contractor
Schedule 28, Part E, Para 1.6	Information relating to the manner in which the services are organised	As appropriate and agreed by the Authority	Within 20 Working Days of a request from the Authority	Within 20 Working Days of a request from the Authority	Authority
Schedule 28, Part E, Para 1.7	Payroll and benefits information	As appropriate and agreed by the Authority	Within 5 Working Days following the Service Transfer Date	-	Authority, any Replacement Supplier and/or Replacement Sub-Contractor
Schedule 28, Annex E1	List of Notified Sub-Contractors	As appropriate and agreed by the Authority	Effective Date	Upon any change	Authority

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Applicable Clause/ Paragraph	Required Data	Format of Data	Initial Upload Date	Update Requirement	Access Permission and Access Event (where applicable)
Schedule 29	Key Personnel	Schedule 29	Effective Date	As amended from time to time	Authority
Schedule 33	Workforce Monitoring Template	Appendix 1 to Annex 1 of Schedule 33	6 Months after the Effective Date	Annual	Authority

Annex 4: Supply Chain Transparency Information Template

	Financial Year 20[]			
	Under this Contract		Supplier as a whole	
	£	%	£	%
Estimated total contract revenue (£) to be received in this Financial Year	£	100%	£	100%
Total value of Sub-contracted revenues (£) in this Financial Year	£	%	£	%
Total value of Sub-contracted revenues to SMEs (£) in this Financial Year	£	%	£	%
Total value of Sub-contracted revenues to VCSEs (£) in this Financial Year	£	%	£	%

Schedule 25

Exit Management

Schedule 25: Exit Management

1. Definitions

1.1 In this Schedule, the following definitions shall apply:

“Emergency Exit”	any termination of this Contract which is a: <ul style="list-style-type: none">(a) termination of the whole or part of this Contract in accordance with Clause 31 (<i>Termination Rights</i>), except where the period of notice given under that Clause is greater than or equal to 6 Months;(b) termination of the provision of the Services for any reason prior to the expiry of any period of notice of termination served pursuant to Clause 31 (<i>Termination Rights</i>); or(c) wrongful termination or repudiation of this Contract by either Party;
“Ethical Wall Agreement”	an ethical wall agreement in a form similar to the draft ethical wall agreement set out at Annex 2;
“Exclusive Assets”	those Assets used by the Supplier or a Key Sub-contractor which are used exclusively in the provision of the Services;
“Exit Information”	has the meaning given in Paragraph 3.1;
“Exit Manager”	the person appointed by each Party pursuant to Paragraph 2.3 for managing the Parties’ respective obligations under this Schedule;
“Net Book Value”	the net book value of the relevant Asset(s) calculated in accordance with the depreciation policy of the Supplier set out in the letter in the agreed form from the Supplier to the Authority of the same date as this Contract;
“Non-Exclusive Assets”	those Assets (if any) which are used by the Supplier or a Key Sub-contractor in connection with the Services but which are also used by the Supplier or Key Sub-contractor for other purposes of material value;
“Ordinary Exit”	any termination of the whole or any part of this Contract which occurs: <ul style="list-style-type: none">(a) pursuant to Clause 31 (<i>Termination Rights</i>) where the period of notice given by the Party serving notice to

terminate pursuant to such Clause is greater than or equal to 6 Months; or

- (b) as a result of the expiry of the Initial Term or any Extension Period;

“Transferable Assets” those of the Exclusive Assets which are capable of legal transfer to the Authority;

“Transferable Contracts” the Sub-contracts, licences for Supplier’s Software, licences for Third Party Software or other agreements which are necessary to enable the Authority or any Replacement Supplier to perform the Services or the Replacement Services, including in relation to licences all relevant Documentation; and

“Transferring Contracts has the meaning given in Paragraph 7.2.3.

2. Obligations During the Term to Facilitate Exit

2.1 During the Term, the Supplier shall:

2.1.1 create and maintain a register of all:

- (a) Assets, detailing their:
- (b) make, model and asset number;
- (c) ownership and status as either Exclusive Assets or Non-Exclusive Assets;
- (d) Net Book Value;
- (e) condition and physical location; and
- (f) use (including technical specifications); and
- (g) Sub-contracts and other relevant agreements (including relevant software licences, maintenance and support agreements and equipment rental and lease agreements) required for the performance of the Services;

2.1.2 create and maintain a configuration database detailing the technical infrastructure and operating procedures through which the Supplier provides the Services, which shall contain sufficient detail to permit the Authority and/or Replacement Supplier to understand how the Supplier provides the Services and to enable the smooth transition of the Services with the minimum of disruption;

2.1.3 agree the format of the Registers with the Authority as part of the process of agreeing the Exit Plan; and

2.1.4 at all times keep the Registers up to date, in particular in the event that Assets, Sub-contracts or other relevant agreements are added to or removed from the

Services.

- 2.2 The Supplier shall procure that all Exclusive Assets listed in the Registers are clearly marked to identify that they are exclusively used for the provision of the Services under this Contract.
- 2.3 Each Party shall appoint a person for the purposes of managing the Parties' respective obligations under this Schedule and provide written notification of such appointment to the other Party within 3 Months of the Effective Date. The Supplier's Exit Manager shall be responsible for ensuring that the Supplier and its employees, agents and Sub-contractors comply with this Schedule. The Supplier shall ensure that its Exit Manager has the requisite authority to arrange and procure any resources of the Supplier as are reasonably necessary to enable the Supplier to comply with the requirements set out in this Schedule. The Parties' Exit Managers will liaise with one another in relation to all issues relevant to the termination of this Contract and all matters connected with this Schedule and each Party's compliance with it.

3. Obligations to Assist on Re-tendering of Services

- 3.1 On reasonable notice at any point during the Term, the Supplier shall provide to the Authority and/or its potential Replacement Suppliers (subject to the potential Replacement Suppliers entering into reasonable written confidentiality undertakings), the following material and information in order to facilitate the preparation by the Authority of any invitation to tender and/or to facilitate any potential Replacement Suppliers undertaking due diligence:
- 3.1.1 details of the Service(s);
 - 3.1.2 a copy of the Registers, updated by the Supplier up to the date of delivery of such Registers;
 - 3.1.3 an inventory of Authority Data in the Supplier's possession or control;
 - 3.1.4 details of any key terms of any third party contracts and licences, particularly as regards charges, termination, assignment and novation;
 - 3.1.5 a list of on-going and/or threatened disputes in relation to the provision of the Services;
 - 3.1.6 to the extent permitted by applicable Law, all information relating to Transferring Supplier Employees required to be provided by the Supplier under this Contract; and
 - 3.1.7 such other material and information as the Authority shall reasonably require, (together, the "**Exit Information**").
- 3.2 The Supplier acknowledges that the Authority may disclose the Supplier's Confidential Information to an actual or prospective Replacement Supplier or any third party whom the Authority is considering engaging to the extent that such disclosure is necessary in connection with such engagement (except that the Authority may not under this Paragraph 3.2 disclose any Supplier's Confidential Information which is information relating to the Supplier's or its Sub-contractors' prices or costs).

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- 3.3 The Supplier shall:
- 3.3.1 notify the Authority within 5 Working Days of any material change to the Exit Information which may adversely impact upon the potential transfer and/or continuance of any Services and shall consult with the Authority regarding such proposed material changes; and
 - 3.3.2 provide complete updates of the Exit Information on an as-requested basis as soon as reasonably practicable and in any event within 10 Working Days of a request in writing from the Authority.
- 3.4 The Supplier may charge the Authority for its reasonable additional costs to the extent the Authority requests more than 4 updates in any 6 Month period.
- 3.5 The Exit Information shall be accurate and complete in all material respects and the level of detail to be provided by the Supplier shall be such as would be reasonably necessary to enable a third party to:
- 3.5.1 prepare an informed offer for those Services; and
 - 3.5.2 not be disadvantaged in any subsequent procurement process compared to the Supplier (if the Supplier is invited to participate).
- 4. Obligation to enter into an Ethical Wall Agreement on Re-tendering of Services**
- 4.1 The Authority may require the Supplier to enter into the Ethical Wall Agreement at any point during a re-tendering or contemplated re-tendering of the Services or any part of the Services.
- 4.2 If required to enter into the Ethical Wall Agreement, the Supplier will return a signed copy of the Ethical Wall Agreement within 10 Working Days of receipt. The Supplier's costs of entering into the Ethical Wall Agreement will be borne solely by the Supplier.
- 5. Exit Plan**
- 5.1 The Supplier shall, within 3 Months after the Effective Date, deliver to the Authority an Exit Plan which:
- 5.1.1 sets out the Supplier's proposed methodology for achieving an orderly transition of the relevant Services from the Supplier to the Authority and/or its Replacement Supplier on the Partial Termination, expiry or termination of this Contract;
 - 5.1.2 complies with the requirements set out in Paragraph 5.2; and
 - 5.1.3 is otherwise reasonably satisfactory to the Authority.
- 5.2 The Parties shall use reasonable endeavours to agree the contents of the Exit Plan. If the Parties are unable to agree the contents of the Exit Plan within 20 Working Days of its submission, then such Dispute shall be resolved in accordance with the Dispute Resolution Procedure.
- 5.3 The Exit Plan shall set out, as a minimum:
- 5.3.1 how the Exit Information is obtained;

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- 5.3.2 separate mechanisms for dealing with Ordinary Exit and Emergency Exit, the provisions relating to Emergency Exit being prepared on the assumption that the Supplier may be unable to provide the full level of assistance which is required by the provisions relating to Ordinary Exit, and in the case of Emergency Exit, provision for the supply by the Supplier of all such reasonable assistance as the Authority shall require to enable the Authority or its sub-contractors to provide the Services;
- 5.3.3 a mechanism for dealing with Partial Termination on the assumption that the Supplier will continue to provide the remaining Services under this Contract;
- 5.3.4 the management structure to be employed during both transfer and cessation of the Services in an Ordinary Exit and an Emergency Exit;
- 5.3.5 the management structure to be employed during the Termination Assistance Period;
- 5.3.6 a detailed description of both the transfer and cessation processes, including a timetable, applicable in the case of an Ordinary Exit and an Emergency Exit;
- 5.3.7 how the Services will transfer to the Replacement Supplier and/or the Authority, including details of the processes, documentation, data transfer, systems migration, security and the segregation of the Authority's technology components from any technology components operated by the Supplier or its Sub-contractors (where applicable);
- 5.3.8 the scope of the Termination Services that may be required for the benefit of the Authority (including such of the services set out in Annex 1 as are applicable);
- 5.3.9 a timetable and critical issues for providing the Termination Services;
- 5.3.10 any charges that would be payable for the provision of the Termination Services (calculated in accordance with the methodology that would apply if such Services were being treated as a Contract Change), together with a capped estimate of such charges;
- 5.3.11 how the Termination Services would be provided (if required) during the Termination Assistance Period;
- 5.3.12 procedures to deal with requests made by the Authority and/or a Replacement Supplier for Staffing Information pursuant to Schedule 28 (*Staff Transfer*); and
- 5.3.13 how each of the issues set out in this Schedule will be addressed to facilitate the transition of the Services from the Supplier to the Replacement Supplier and/or the Authority with the aim of ensuring that there is no disruption to or degradation of the Services during the Termination Assistance Period.
- 5.4 The Parties acknowledge that the migration of the Services from the Supplier to the Authority and/or its Replacement Supplier may be phased, such that certain of the Services are handed over before others.
- 5.5 The Supplier shall review and (if appropriate) update the Exit Plan on a basis consistent with the principles set out in this Schedule in the first Month of each Contract Year (commencing with the second Contract Year) and if requested by the Authority following

the occurrence of a Financial Distress Event, within 14 days of such request, to reflect any changes in the Services that have occurred since the Exit Plan was last agreed. Following such update, the Supplier shall submit the revised Exit Plan to the Authority for review. Within 20 Working Days following submission of the revised Exit Plan, the Parties shall meet and use reasonable endeavours to agree the contents of the revised Exit Plan. If the Parties are unable to agree the contents of the revised Exit Plan within that 20 Working Day period, such dispute shall be resolved in accordance with the Dispute Resolution Procedure.

Finalisation of the Exit Plan

- 5.6 Within 20 Working Days after service of a Termination Notice by either Party or 6 Months prior to the expiry of this Contract, the Supplier will submit for the Authority's approval the Exit Plan in a final form that could be implemented immediately. The final form of the Exit Plan shall be prepared on a basis consistent with the principles set out in this Schedule and shall reflect any changes in the Services that have occurred since the Exit Plan was last agreed.
- 5.7 The Parties will meet and use their respective reasonable endeavours to agree the contents of the final form of the Exit Plan. If the Parties are unable to agree the contents of the Exit Plan within 20 Working Days following its delivery to the Authority then such Dispute shall be resolved in accordance with the Dispute Resolution Procedure. Until the agreement of the final form of the Exit Plan, the Supplier shall provide the Termination Services in accordance with the principles set out in this Schedule and the last approved version of the Exit Plan (insofar as relevant).

6. Termination Services

Notification of Requirements for Termination Services

- 6.1 The Authority shall be entitled to require the provision of Termination Services at any time during the Term by giving written notice to the Supplier (a "**Termination Assistance Notice**") at least 4 months prior to the date of termination or expiry of this Contract or as soon as reasonably practicable (but in any event, not later than 1 Month) following the service by either Party of a Termination Notice. The Termination Assistance Notice shall specify:
- 6.1.1 the date from which Termination Services are required;
 - 6.1.2 the nature of the Termination Services required; and
 - 6.1.3 the period during which it is anticipated that Termination Services will be required, which shall continue no longer than 24 Months after the expiry of the Initial Term or any Extension Period or earlier termination of this Contract;
- 6.2 The Authority shall have:
- 6.2.1 an option to extend the period of assistance beyond the period specified in the Termination Assistance Notice provided that such extension shall not extend the Termination Assistance period beyond the date which is 30 Months after expiry of the Initial Term or any Extension Period or earlier termination of this Contract ;and provided that it shall notify the Supplier to such effect no later than 20 Working Days prior to the date on which the provision of Termination Services

is otherwise due to expire; and

- 6.2.2 the right to terminate its requirement for Termination Services by serving not less than 20 Working Days' written notice upon the Supplier to such effect.

Termination Assistance Period

- 6.3 Throughout the Termination Assistance Period, or such shorter period as the Authority may require, the Supplier shall:
 - 6.3.1 continue to provide the Services (as applicable) and, if required by the Authority pursuant to Paragraph 6.1, provide the Termination Services;
 - 6.3.2 in addition to providing the Services and the Termination Services, provide to the Authority any reasonable assistance requested by the Authority to allow the Services to continue without interruption following the Partial Termination, termination or expiry of this Contract and to facilitate the orderly transfer of responsibility for and conduct of the Services to the Authority and/or its Replacement Supplier;
 - 6.3.3 use all reasonable endeavours to reallocate resources to provide such assistance as is referred to in Paragraph 6.3.2 without additional costs to the Authority;
 - 6.3.4 provide the Services and the Termination Services at no detriment to the Target Performance Levels, save to the extent that the Parties agree otherwise in accordance with Paragraph 6.5; and
 - 6.3.5 at the Authority's request and on reasonable notice, deliver up-to-date Registers to the Authority.
- 6.4 Without prejudice to the Supplier's obligations under Paragraph 6.3.3, if it is not possible for the Supplier to reallocate resources to provide such assistance as is referred to in Paragraph 6.3.2 without additional costs to the Authority, any additional costs incurred by the Supplier in providing such reasonable assistance which is not already in the scope of the Termination Services or the Exit Plan shall be subject to the Change Control Procedure.
- 6.5 If the Supplier demonstrates to the Authority's reasonable satisfaction that transition of the Services and provision of the Termination Services during the Termination Assistance Period will have a material, unavoidable adverse effect on the Supplier's ability to meet one or more particular Target Performance Level(s), the Parties shall vary the relevant Target Performance Level(s) and/or the applicable Service Credits to take account of such adverse effect.

Termination Obligations

- 6.6 The Supplier shall comply with all of its obligations contained in the Exit Plan in respect of any Partial Termination or termination.
- 6.7 Upon termination or expiry (as the case may be) or at the end of the Termination Assistance Period (or earlier if this does not adversely affect the Supplier's performance of the Services and the Termination Services and its compliance with the other provisions of this Schedule) in respect of the Services that have been terminated, the Supplier shall:

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- 6.7.1 cease to use the Authority Data;
- 6.7.2 provide the Authority and/or the Replacement Supplier with a complete and uncorrupted version of the Authority Data in electronic form (or such other format as reasonably required by the Authority);
- 6.7.3 erase from any computers, storage devices and storage media that are to be retained by the Supplier after the end of the Termination Assistance Period all Authority Data and promptly certify to the Authority that it has completed such deletion;
- 6.7.4 return to the Authority such of the following as is in the Supplier's possession or control:
 - (a) any parts of the IT Environment and any other equipment which belongs to the Authority; and
 - (b) any items that have been on-charged to the Authority, such as consumables;
- 6.7.5 vacate any Authority Premises unless access is required to continue to deliver the Services;
- 6.7.6 provide access during normal working hours to the Authority and/or the Replacement Supplier for up to 12 Months after the Partial Termination, expiry or termination of this Contract to:
 - (a) such information relating to the Services as remains in the possession or control of the Supplier; and
 - (b) such members of the Supplier Personnel as have been involved in the design, development and provision of the Services and who are still employed by the Supplier, provided that the Authority and/or the Replacement Supplier shall pay the reasonable costs of the Supplier actually incurred in responding to requests for access under this Paragraph 6.7.6(b).
- 6.8 Upon Partial Termination, termination or expiry (as the case may be) or at the end of the Termination Assistance Period (or earlier if this does not adversely affect the Supplier's performance of the Services and the Termination Services and its compliance with the other provisions of this Schedule), each Party shall return to the other Party (or if requested, destroy or delete) all Confidential Information of the other Party in respect of the terminated Services and shall certify that it does not retain the other Party's Confidential Information save to the extent (and for the limited period) that such information needs to be retained by the Party in question for the purposes of providing or receiving any Services or Termination Services or for statutory compliance purposes.

7. Assets, Sub-contracts and Software

- 7.1 Following notice of termination or Partial Termination of this Contract and during the Termination Assistance Period, the Supplier shall not, in respect of the terminated Services, without the Authority's prior written consent:
 - 7.1.1 terminate, enter into or vary any Sub-contract except to the extent that such

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change does not or will not affect the provision of Services or the Charges;

7.1.2 (subject to normal maintenance requirements) make material modifications to, or dispose of, any existing Assets or acquire any new Assets; or

7.1.3 terminate, enter into or vary any licence for software in connection with the Services.

7.2 Within 20 Working Days of receipt of the up-to-date Registers provided by the Supplier pursuant to Paragraph 6.3.5, the Authority shall provide written notice to the Supplier setting out:

7.2.1 which, if any, of the Transferable Assets the Authority requires to be transferred to the Authority and/or the Replacement Supplier in respect of the terminated Services (“**Transferring Assets**”);

7.2.2 which, if any, of:

(a) the Exclusive Assets that are not Transferable Assets; and

(b) the Non-Exclusive Assets,

the Authority and/or the Replacement Supplier requires the continued use of; and

7.2.3 which, if any, of Transferable Contracts the Authority requires to be assigned or novated to the Authority and/or the Replacement Supplier (the “**Transferring Contracts**”),

in order for the Authority and/or its Replacement Supplier to provide the Services from the expiry of the Termination Assistance Period. Where requested by the Authority and/or its Replacement Supplier, the Supplier shall provide all reasonable assistance to the Authority and/or its Replacement Supplier to enable it to determine which Transferable Assets and Transferable Contracts the Authority and/or its Replacement Supplier requires to provide the Services or Replacement Services. Where requested by the Supplier, the Authority and/or its Replacement Supplier shall discuss in good faith with the Supplier which Transferable Contracts are used by the Supplier in matters unconnected to the Services or Replacement Services.

7.3 With effect from the expiry of the Termination Assistance Period, the Supplier shall sell the Transferring Assets to the Authority and/or its nominated Replacement Supplier for a consideration equal to their Net Book Value, except where:

7.3.1 a Termination Payment is payable by the Authority to the Supplier, in which case, payment for such Assets shall be included within the Termination Payment; or

7.3.2 the cost of the Transferring Asset has been partially or fully paid for through the Charges at the time of expiry or termination of this Contract, in which case the Authority shall pay the Supplier the Net Book Value of the Transferring Asset less the amount already paid through the Charges.

7.4 Risk in the Transferring Assets shall pass to the Authority or the Replacement Supplier (as appropriate) at the end of the Termination Assistance Period and title to the Transferring

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Assets shall pass to the Authority or the Replacement Supplier (as appropriate) on payment for the same.

7.5 Where the Supplier is notified in accordance with Paragraph 7.2.3 that the Authority and/or the Replacement Supplier requires continued use of any Exclusive Assets that are not Transferable Assets or any Non-Exclusive Assets, the Supplier shall as soon as reasonably practicable:

7.5.1 procure a non-exclusive, perpetual, royalty-free licence (or licence on such other terms that have been agreed by the Authority) for the Authority and/or the Replacement Supplier to use such assets (with a right of sub-licence or assignment on the same terms); or failing which

7.5.2 procure a suitable alternative to such assets and the Authority or the Replacement Supplier shall bear the reasonable proven costs of procuring the same.

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

7.7 The Authority shall:

7.7.1 accept assignments from the Supplier or join with the Supplier in procuring a novation of each Transferring Contract; and

7.7.2 once a Transferring Contract is novated or assigned to the Authority and/or the Replacement Supplier, carry out, perform and discharge all the obligations and liabilities created by or arising under that Transferring Contract and exercise its rights arising under that Transferring Contract, or as applicable, procure that the Replacement Supplier does the same.

7.8 The Supplier shall hold any Transferring Contracts on trust for the Authority until such time as the transfer of the relevant Transferring Contract to the Authority and/or the Replacement Supplier has been effected.

7.9 The Supplier shall indemnify the Authority (and/or the Replacement Supplier, as applicable) against each loss, liability and cost arising out of any claims made by a counterparty to a Transferring Contract which is assigned or novated to the Authority (and/or Replacement Supplier) pursuant to Paragraph 7.6 both:

7.9.1 in relation to any matters arising prior to the date of assignment or novation of such Sub-contract; and

7.9.2 in relation to any matters arising after the date of assignment or novation of such Sub-contract where the loss, liability or cost arises as a result of the Supplier's failure to comply with Clause 16 (*Intellectual Property Rights*) and/or Schedule 32 (*Intellectual Property Rights*).

8. Supplier Personnel

8.1 The Authority and Supplier agree and acknowledge that in the event of the Supplier ceasing to provide the Services or part of them for any reason, Schedule 28 (*Staff*

Transfer) shall apply.

- 8.2 The Supplier shall not take any step (expressly or implicitly or directly or indirectly by itself or through any other person) to dissuade or discourage any employees engaged in the provision of the Services from transferring their employment to the Authority and/or the Replacement Supplier.
- 8.3 During the Termination Assistance Period, the Supplier shall give the Authority and/or the Replacement Supplier reasonable access to the Supplier's personnel to present the case for transferring their employment to the Authority and/or the Replacement Supplier.
- 8.4 The Supplier shall immediately notify the Authority or, at the direction of the Authority, the Replacement Supplier of any period of notice given by the Supplier or received from any person referred to in the Staffing Information, regardless of when such notice takes effect.
- 8.5 The Supplier shall not for a period of 12 Months from the date of transfer re-employ or re-engage or entice any employees, suppliers or Sub-contractors whose employment or engagement is transferred to the Authority and/or the Replacement Supplier, except that this Paragraph shall not apply where the employee, supplier or Sub-contractor applies in response to a public advertisement of a vacancy.

9. Charges

- 9.1 During the Termination Assistance Period (or for such shorter period as the Authority may require the Supplier to provide the Termination Services), the Authority shall pay the Charges to the Supplier in respect of the Termination Services in accordance with the rates set out in the Exit Plan (but shall not be required to pay costs in excess of the estimate set out in the Exit Plan). If the scope or timing of the Termination Services is changed and this results in a change to the costs of such Termination Services, the estimate may be varied in accordance with the Change Control Procedure.
- 9.2 Where the Authority requests an extension to the Termination Services beyond the Termination Assistance Period in accordance with Paragraph 6.2:
 - 9.2.1 where more than 6 Months' notice is provided, the same rate as set out in the Exit Plan (or the Charges when not stated in the Exit Plan) shall be payable; and
 - 9.2.2 where less than 6 Months' notice is provided, no more than 1.15 times the rate as set out in the Exit Plan (or the Charges when not stated in the Exit Plan) shall be payable.
- 9.3 For the purpose of calculating the costs of providing the Termination Services for inclusion in the Exit Plan or, if no Exit Plan has been agreed, the costs of providing Termination Services shall be determined in accordance with the Change Control Procedure.
- 9.4 Except as otherwise expressly specified in this Agreement, the Supplier shall not make any charges for the services provided by the Supplier pursuant to, and the Authority shall not be obliged to pay for costs incurred by the Supplier in relation to its compliance with, this Schedule including the preparation and implementation of the Exit Plan and any activities mutually agreed between the Parties to carry on after the expiry of the Termination Assistance Period.

10. Apportionments

- 10.1 All outgoing and expenses (including any remuneration due) and all rents, royalties and other periodical payments receivable in respect of the Transferring Assets and Transferring Contracts shall be apportioned between the Authority and the Supplier and/or the Replacement Supplier and the Supplier (as applicable) as follows:
- 10.1.1 the amounts shall be annualised and divided by 365 to reach a daily rate;
 - 10.1.2 the Authority shall be responsible for (or shall procure that the Replacement Supplier shall be responsible for) or entitled to (as the case may be) that part of the value of the invoice pro rata to the number of complete days following the transfer, multiplied by the daily rate; and
 - 10.1.3 the Supplier shall be responsible for or entitled to (as the case may be) the rest of the invoice.
- 10.2 Each Party shall pay (and/or the Authority shall procure that the Replacement Supplier shall pay) any monies due under Paragraph 10.1 as soon as reasonably practicable.

Annex 1: Scope of the Termination Services

1. Scope of the Termination Services

- 1.1 The Termination Services to be provided by the Supplier shall include such of the following services as the Authority may specify:
 - 1.1.1 ceasing all non-critical Software changes (except where agreed in writing with the Authority);
 - 1.1.2 notifying the Sub-contractors of procedures to be followed during the Termination Assistance Period and providing management to ensure these procedures are followed;
 - 1.1.3 providing assistance and expertise as necessary to examine all operational and business processes (including all supporting documentation) in place and re-writing and implementing processes and procedures such that they are appropriate for use by the Authority and/or the Replacement Supplier after the end of the Termination Assistance Period;
 - 1.1.4 delivering to the Authority the existing systems support profiles, monitoring or system logs, problem tracking/resolution documentation and status reports all relating to the 12 Month period immediately prior to the commencement of the Termination Services;
 - 1.1.5 providing details of work volumes and staffing requirements over the 12 Month period immediately prior to the commencement of the Termination Services;
 - 1.1.6 with respect to work in progress as at the end of the Termination Assistance Period, documenting the current status and stabilising for continuity during transition;
 - 1.1.7 providing the Authority with any problem logs which have not previously been provided to the Authority;
 - 1.1.8 providing assistance and expertise as necessary to examine all governance and reports in place for the provision of the Services and re-writing and implementing these during and for a period of 12 Months after the Termination Assistance Period;
 - 1.1.9 providing assistance and expertise as necessary to examine all relevant roles and responsibilities in place for the provision of the Services and re-writing and implementing these such that they are appropriate for the continuation of the Services after the Termination Assistance Period;
 - 1.1.10 agreeing with the Authority an effective communication strategy and joint communications plan which sets out the implications for Supplier Personnel, Authority staff, customers and key stakeholders;
 - 1.1.11 reviewing all Software libraries used in connection with the Services and providing details of these to the Authority and/or the Replacement Supplier;
 - 1.1.12 providing assistance and expertise as necessary to support the Authority and/or

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- the Replacement Supplier develop the migration plan for business operations and Authority Data to the Replacement Supplier, which may include migration approach, testing of plans, contingency options, and handling of historic or archived Authority Data;
- 1.1.13 provide all necessary support, equipment, tools, and Software such as data migration services and/or Automated Programming Interfaces, in order to enable and support the execution of the migration plan by the Authority and/or Replacement Supplier;
 - 1.1.14 making available to the Authority and/or the Replacement Supplier expertise to analyse training requirements and provide all necessary training for the use of tools by such staff as are nominated by the Authority (acting reasonably) at the time of termination or expiry;
 - 1.1.15 assisting in establishing naming conventions for any new production site;
 - 1.1.16 analysing and providing information about capacity and performance requirements, processor requirements and bandwidth requirements, and known planned requirements for capacity growth across these areas;
 - 1.1.17 generating a computer listing of the Source Code and/or configuration files of the optical character recognition software in use within the Digital Mailroom and the records management system, in a form and on media reasonably requested by the Authority;
 - 1.1.18 agreeing with the Authority a handover plan for all of the Supplier's responsibilities as set out in the Security Management Plan;
 - 1.1.19 delivering copies of the production databases (with content listings) to the Authority's and/or the Replacement Supplier's operations staff (on appropriate media) as reasonably requested by the Authority;
 - 1.1.20 assisting with the loading, testing and implementation of the production databases;
 - 1.1.21 assisting in the execution of a parallel operation until the effective date of expiry or termination of this Contract;
 - 1.1.22 in respect of the maintenance and support of the Supplier System, providing historical performance data for the previous 24 Months;
 - 1.1.23 assisting in the execution of a parallel operation of the maintenance and support of the Supplier System until the end of the Termination Assistance Period or as otherwise specified by the Authority (provided that these Services shall end on a date no later than the end of the Termination Assistance Period);
 - 1.1.24 providing an information pack listing and describing the Services for use by the Authority in the procurement of the Replacement Services;
 - 1.1.25 answering all reasonable questions from the Authority and/or the Replacement Supplier regarding the Services;
 - 1.1.26 agreeing with the Authority and/or the Replacement Supplier a plan for the

migration of the Authority Data to the Authority and/or the Replacement Supplier;

1.1.27 providing access to the Authority and/or the Replacement Supplier during the Termination Assistance Period and for a period not exceeding 6 Months afterwards for the purpose of the smooth transfer of the Services to the Authority and/or the Replacement Supplier:

- (a) to information and documentation relating to the Transferring Services that is in the possession or control of the Supplier or its Sub-contractors (and the Supplier agrees and shall procure that its Sub-contractors do not destroy or dispose of that information within this period) including the right to take reasonable copies of that material; and
- (b) following reasonable notice and during the Supplier's normal business hours, to members of the Supplier Personnel who have been involved in the provision or management of the Services and who are still employed or engaged by the Supplier or its Sub-contractors; and

1.1.28 knowledge transfer services, including:

- (a) transferring all training material and providing appropriate training to those Authority and/or Replacement Supplier staff responsible for internal training in connection with the provision of the Services;
- (b) providing for transfer to the Authority and/or the Replacement Supplier of all knowledge reasonably required for the provision of the Services which may, as appropriate, include information, records and documents;
- (c) providing the Supplier and/or the Replacement Supplier with access to such members of the Supplier's or its Sub-contractors' personnel as have been involved in the design, development, provision or management of the Services and who are still employed or engaged by the Supplier or its Sub-contractors; and
- (d) allowing the Authority and/or the Replacement Supplier to work alongside and observe the performance of the Services by the Supplier at its Sites used to fulfil the Services (subject to compliance by the Authority and the Replacement Supplier with any applicable security and/or health and safety restrictions,

and any such person who is provided with such knowledge transfer services will sign a confidentiality undertaking in favour of the Supplier (in such form as the Supplier shall reasonably require)).

1.2 The Supplier shall:

1.2.1 provide a documented plan relating to the training matters referred to in Paragraph 1.1.14 for agreement by the Authority at the time of termination or expiry of this Contract;

1.2.2 co-operate fully in the execution of the handover plan agreed pursuant to Paragraph 1.1.18, providing skills and expertise of a suitable standard; and

1.2.3 fully co-operate in the execution of the Authority Data migration plan agreed

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pursuant to Paragraph 1.1.26, providing skills and expertise of a reasonably acceptable standard.

1.3 To facilitate the transfer of knowledge from the Supplier to the Authority and/or its Replacement Supplier, the Supplier shall provide a detailed explanation of the procedures and operations used to provide the Services, the change management process and other standards and procedures to the operations personnel of the Authority and/or the Replacement Supplier.

1.4 The information which the Supplier shall provide to the Authority and/or the Replacement Supplier pursuant to Paragraph 1.1.27 1.1.26 shall include:

- 1.4.1 copies of up-to-date procedures and operations manuals;
- 1.4.2 product information;
- 1.4.3 agreements with third party suppliers of goods and services which are to be transferred to the Authority and/or the Replacement Supplier;
- 1.4.4 key support contact details for third party supplier personnel under contracts which are to be assigned or novated to the Authority pursuant to this Schedule;
- 1.4.5 information regarding any unresolved faults in progress at the commencement of the Termination Assistance Period as well as those expected to be in progress at the end of the Termination Assistance Period;
- 1.4.6 details of physical and logical security processes and tools which will be available to the Authority; and
- 1.4.7 any relevant interface information,

and such information shall be updated by the Supplier at the end of the Termination Assistance Period.

1.5 During the Termination Assistance Period the Supplier shall grant any agent or personnel (including employees, consultants and Suppliers) of the Replacement Supplier and/or the Authority access, during business hours and upon reasonable prior written notice, to any Sites for the purpose of effecting a prompt knowledge transfer provided that:

- 1.5.1 any such agent or personnel (including employees, consultants and suppliers) having access to any Sites pursuant to this Paragraph 1.5 shall:
 - (a) sign a confidentiality undertaking in favour of the Supplier (in such form as the Supplier shall reasonably require); and
 - (b) during each period of access comply with the security, systems and facilities operating procedures of the Supplier relevant to such Site and that the Authority deems reasonable; and
- 1.5.2 the Authority and/or the Replacement Supplier shall pay the reasonable, proven and proper costs of the Supplier incurred in facilitating such access.

Annex 2: Draft Ethical Wall Agreement

[THE AUTHORITY]

and

[THE COUNTERPARTY]

ETHICAL WALL AGREEMENT

This Agreement is dated [] 20[] (the “Effective Date”).

BETWEEN:

- (a) **[insert NAME OF AUTHORITY]** (the “**Authority**”) [acting on behalf of the Crown] of **[insert Authority’s address]**; and
- (b) **[NAME OF COUNTERPARTY]** a [company]/[limited liability partnership] registered in England and Wales under registered number **[insert registered number]** whose registered office is at **[insert Counterparty’s registered address]** (the “**Counterparty**”),

together the “**Parties**” and each a “**Party**”.

BACKGROUND

- (A) The Authority is obliged to ensure transparency, fairness, non-discrimination and equal treatment in relation to its procurement process pursuant to the Procurement Regulations (defined below). The purpose of this document (“**Agreement**”) is to define the protocols to be followed to prevent, identify and remedy any conflict of interest (whether actual, potential or perceived) in the context of the Purpose (defined below).
- (B) The Authority is conducting a procurement exercise for the [supply/purchase/provision] of **[insert details of project/goods/services]** (the “**Purpose**”).
- (C) The Parties wish to enter into this Agreement to ensure that a set of management processes, barriers and disciplines are put in place to ensure that conflicts of interest do not arise, and that the Counterparty does not obtain an unfair competitive advantage over Other Bidders.

IT IS AGREED:

1. Definitions and Interpretation

- 1.1 The following capitalised words and expressions shall have the following meanings in this Agreement and its recitals:

“Affiliate” means in relation to a body corporate, any other entity which directly or indirectly Controls, is Controlled by, or is under direct or indirect common Control of that body corporate from time to time;

“Agreement” means this ethical walls agreement duly executed by the Parties;

“Bid Team” means any Representatives of the Counterparty, any of its Affiliates and/or any Subcontractors connected to the preparation of an ITT Response;

“Crown Body” means a body listed in one of the following sub-categories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics, including:

- (a) Government Departments;
- (b) Non-Departmental Public Bodies or Assembly Sponsored Public Bodies (advisory, executive, or tribunal);
- (c) Non-Ministerial Departments; or
- (d) Executive Agencies;

“Conflicted Personnel” means any Representatives of:

- (a) the Counterparty;
- (b) any of the Counterparty’s Affiliates; and/or
- (c) any Subcontractors,

who, because of the Counterparty’s, any of its Affiliates’ and/or any Subcontractors’ relationship with the Authority under any Contract, have or have had access to information which creates or may create a conflict of interest or provide the Bid Team with an unfair advantage as regards information Other Bidders would not have;

“Contract” means any pre-existing or previous contract between the Authority and:

- (a) the Counterparty;
- (b) any of the Counterparty’s Affiliates;
- (c) any Subcontractor; and
- (d) any other Third Party,

relating to the subject matter of the Purpose at the date of the commencement of the ITT Process;

“Control” means the beneficial ownership of more than 50% of the issued share capital of a company or the legal power to direct or cause the direction of the management of the company and **“Controls”** and **“Controlled”** shall be interpreted accordingly;

“Effective Date” means the date of this Agreement as set out above;

“Invitation to Tender” or **“ITT”** means an invitation to submit tenders issued by the Authority as part of an ITT Process (and shall include an Invitation to Negotiate);

“ITT Process” means, with regard to the Purpose, the relevant procedure provided for in the Procurement Regulations (as amended), which the Authority has elected to use to select a contractor or contractors, together with all relevant information, data, correspondence and/or documents issued and/or made available by or on behalf of the Authority as part of that procurement exercise and all information, correspondence and/or documents issued and/or made available by or on behalf of the bidders in response together with any resulting contracts;

“ITT Response” means the tender(s) submitted, or to be submitted, by the Counterparty, any of its Affiliates and/or any Subcontractors in response to any invitation(s) to submit bids under the ITT process;

“Other Bidder” means any other bidder or potential bidder that is not the Counterparty or any of its Affiliates that has taken or is taking part in the ITT Process;

“Procurement Process” means the period commencing on the earlier of: (a) the publication of the first notice in relation to the Purpose; and (b) the execution of this Agreement, and ending on the occurrence of: (i) the publication by the Authority of all contract award notices that result from the ITT Process; or (ii) the abandonment or termination of the ITT Process as notified by the Authority;

“Procurement Regulations” means the Public Contracts Regulations 2015, the Public Procurement (Amendment etc.)(EU Exit) Regulations 2020, the Defence and Security Public Contracts Regulations 2011, the Utilities Contracts Regulations 2016, and the Concession Contracts Regulations 2016, each as amended from time to time;

“Professional Advisor” means a supplier, subcontractor, advisor or consultant engaged by the Counterparty and/or any of its Affiliates under the auspices of compiling its ITT response;

“Purpose” has the meaning given to it in recital B to this Agreement;

“Representative” refers to a person’s officers, directors, employees, advisers (including the officers, directors, employees, advisers and agents of any Professional Advisors), agents and, where the context admits, providers or potential providers of finance (including their representatives) to the Counterparty, any of its Affiliates and/or any subcontractors engaged in connection with the ITT Process;

“Subcontractor” means an existing or proposed subcontractor of:

- (a) the Counterparty; and/or
- (b) any of the Counterparty’s Affiliates,

who is connected to the preparation of an ITT Response (including key subcontractors named in the ITT Response);

“Third Party” means any person who is not a Party, including Other Bidders, their Affiliates and/or their Representatives; and

“Working Day” means any day of the week other than a weekend, when Banks in England and Wales are open for business.

- 1.2 Reference to the disclosure of information includes any communication or making available information and includes both direct and indirect disclosure.
- 1.3 Reference to the disclosure of information, or provision of access, by or to the Authority, the Counterparty, any of the Counterparty’s Affiliates and/or any Subcontractors includes disclosure, or provision of access, by or to the Representatives of the Authority, the Counterparty, any of its Affiliates and/or any Subcontractors (as the case may be).
- 1.4 Reference to persons includes legal and natural persons.
- 1.5 Reference to any enactment is to that enactment as amended, supplemented, re-enacted or replaced from time to time.
- 1.6 Reference to clauses and recitals is to clauses of and recitals to this Agreement.
- 1.7 Reference to any gender includes any other.
- 1.8 Reference to writing includes email.
- 1.9 The terms **“associate”**, **“holding company”**, **“subsidiary”**, **“subsidiary undertaking”** and **“wholly owned subsidiary”** have the meanings attributed to them in the Companies Act 2006, except that for the purposes of section 1159(1)(a) of that Act, the words ‘holds a majority of the voting rights’ shall be changed to ‘holds 30% or more of the voting rights’, and other expressions shall be construed accordingly.
- 1.10 The words **“include”** and **“including”** are to be construed without limitation.
- 1.11 The singular includes the plural and vice versa.
- 1.12 The headings contained in this Agreement shall not affect its construction or interpretation.

2. Ethical Walls

- 2.1 In consideration of the sum of £1 payable by the Authority to the Counterparty, receipt of which is hereby acknowledged, the Parties agree to be bound by the terms of this Agreement.

Conflicts of Interest

- 2.2 The Counterparty:
 - 2.2.1 shall take all appropriate steps to ensure that neither the Counterparty, nor its Affiliates, nor any Subcontractors nor any Representatives are in a position where, in the reasonable opinion of the Authority, there is or may be an actual conflict, or a potential conflict, between the pecuniary or personal interests of the

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Counterparty, any of its Affiliates, any Subcontractors and/or any Representatives and the duties owed to the Authority under any Contract or pursuant to an open and transparent ITT Process; and

2.2.2 acknowledges and agrees that a conflict of interest may arise in situations where the Counterparty, any of its Affiliates, any Subcontractors and/or any Representatives intend to take part in the ITT Process and because of the Counterparty's, any of its Affiliates', any Subcontractors' and/or any Representatives' relationship with the Authority under any Contract, the Counterparty, any of its Affiliates, any Subcontractors and/or any Representatives have or have had access to information which could provide the Counterparty, any of its Affiliates, any Subcontractors and/or any Representatives with an advantage and render unfair an otherwise genuine and open competitive ITT Process.

2.3 Where there is or is likely to be a conflict of interest, or the perception of a conflict of interest, of any kind in relation to the ITT Process, the Counterparty shall take such steps that are necessary to eliminate the conflict of interest to the Authority's satisfaction, including one or more of the following:

2.3.1 not assigning any of the Conflicted Personnel to the Bid Team at any time;

2.3.2 providing to the Authority promptly upon request a complete and up to date list of any Conflicted Personnel and the personnel comprising the Bid Team and reissue such list to the Authority promptly upon any change to it;

2.3.3 ensuring that no act or omission by itself, its Affiliates, any Subcontractors and/or any Representatives results in information of any kind, however conveyed, or in any format and however so stored:

(a) about the ITT Process (gleaned from the performance of any Contract or otherwise); and/or

(b) which would or could in the opinion of the Authority confer an unfair advantage on the Counterparty in relation to its participation in the ITT Process,

becoming available to the Bid Team where the Authority has not made generally available that information to Other Bidders;

2.3.4 ensuring that by no act or omission by itself, its Affiliates, any Subcontractors and/or any Representatives and in particular the Bid Team results in information of any kind, however conveyed, in any format and however so stored about the ITT Process, its operation and all matters connected or ancillary to it becoming available to the Conflicted Personnel;

2.3.5 ensure that agreements that flow down the Counterparty's obligations in this Agreement, are entered into as necessary, between the Counterparty and its Affiliates and any Subcontractors in a form to be approved by the Authority;

2.3.6 physically separating the Conflicted Personnel and the Bid Team, either in separate buildings or in areas with restricted access;

2.3.7 providing regular training to its Affiliates, any Subcontractors and/or

Representatives to ensure it is complying with this Agreement;

- 2.3.8 monitoring Conflicted Personnel movements within restricted areas (both physical and electronic online areas) to ensure it is complying with this Agreement and to ensure adherence to the ethical wall arrangements the Counterparty, its Affiliates, any Subcontractors and/or any Representatives have put in place in order to comply with this Agreement;
- 2.3.9 ensuring that the Conflicted Personnel and the Bid Team are line managed and report independently of each other; and
- 2.3.10 complying with any other action as the Authority, acting reasonably, may direct in connection with the ITT Process and/or this Agreement.

Notification of Conflicts of Interest

2.4 The Counterparty shall:

- 2.4.1 notify the Authority immediately in writing of all perceived, potential and/or actual conflicts of interest that arise or have arisen;
- 2.4.2 submit in writing to the Authority full details of the nature of the perceived, potential and/or actual conflict of interest including full details of the risk assessments undertaken, the impact or potential impact of the perceived, potential and/or actual conflict, the measures and arrangements that have been established and/or are due to be established, to eliminate the perceived, potential and/or actual conflict, and the Counterparty's plans to prevent potential conflicts of interests from arising ("**Proposed Avoidance Measures**"); and
- 2.4.3 seek the Authority's approval to the Proposed Avoidance Measures which the Authority shall have the right to grant, grant conditionally or deny (if the Authority rejects the Proposed Avoidance Measures the Counterparty shall repeat the process set out in this Clause 2.4 until such time as the Authority grants approval or the Counterparty withdraws from the ITT Process).

2.5 The Counterparty will provide to the Authority, on demand, any and all information in relation to its adherence with its obligations set out under Clauses 2.2 and 2.3 as reasonably requested by the Authority.

2.6 The Authority reserves the right to require the Counterparty to demonstrate the measures put in place by the Counterparty under Clauses 2.2 and 2.3.

2.7 The Counterparty acknowledges that any provision of information or demonstration of measures, in accordance with Clauses 2.5 and 2.6, does not constitute acceptance by the Authority of the adequacy of such measures and does not discharge the Counterparty of its obligations or liability under this Agreement.

Exclusion from the ITT Process

2.8 Where, in the reasonable opinion of the Authority, there has been any breach by the Counterparty of Clauses 2.2, 2.3, or 2.4 or failure to obtain the Authority's approval of the Proposed Avoidance Measures the Authority shall be entitled to exclude the Counterparty, or any of its Affiliates and/or any Representatives, from the ITT Process,

and the Authority may, in addition to the right to exclude, take such other steps as it deems necessary.

- 2.9 The actions of the Authority pursuant to Clause 2.8 shall not prejudice or affect any right of action or remedy under this Agreement or at law which shall have accrued or shall thereafter accrue to the Authority.

Bid Costs

- 2.10 In no event shall the Authority be liable for any bid costs incurred by:

2.10.1 the Counterparty or any of its Affiliates, any Representatives and/or any Subcontractors; or

2.10.2 any Third Party,

as a result of any breach of this Agreement by the Counterparty, any of its Affiliates, any Subcontractors and/or Representatives, including where the Counterparty, any of its Affiliates, any Subcontractors or Representatives, or any Third Party is or are excluded from the ITT Process.

Specific Remedies

- 2.11 The Counterparty acknowledges and agrees that:

2.11.1 neither damages nor specific performance are adequate remedies in the event of a breach of the obligations in Clause 2; and

2.11.2 in the event of a breach of any of the obligations in Clause 2 which cannot be effectively remedied the Authority shall have the right to terminate both this Agreement and the Counterparty's participation in the ITT Process in each case with immediate effect on written notice.

3. Sole Responsibility

- 3.1 It is the sole responsibility of the Counterparty to comply with the terms of this Agreement, including ensuring its Affiliates, any Subcontractors, and/or any Representatives comply with the terms of this Agreement. No approval by the Authority of any procedures, agreements or arrangements provided by the Counterparty, any of its Affiliates, any Subcontractors and/or their Representatives to the Authority shall discharge the Counterparty's obligations.

4. Waiver and Invalidity

- 4.1 No failure or delay by any Party in exercising any right, power or privilege under this Agreement or by law shall constitute a waiver of that or any other right, power or privilege, nor shall it restrict the further exercise of that or any other right, power or privilege. No single or partial exercise of such right, power or privilege shall prevent or restrict the further exercise of that or any other right, power or privilege.
- 4.2 If any provision of this Agreement is prohibited or unenforceable in any jurisdiction in relation to any Party, such prohibition or unenforceability will not invalidate the remaining provisions of this Agreement, or affect the validity or enforceability of the provisions of this Agreement in relation to any other Party or any other jurisdiction.

5. Assignment and Novation

- 5.1 The Counterparty shall not assign, novate or otherwise dispose of or create any trust in relation to any or all of its rights, obligations or liabilities under this Agreement without the prior written consent of the Authority.
- 5.2 The Authority may assign, novate or otherwise dispose of any or all of its rights, obligations and liabilities under this Agreement and/or any associated licences to:
 - 5.2.1 any Crown Body; or
 - 5.2.2 to a body other than a Crown Body (including any private sector body) which performs any of the functions that previously had been performed by the Authority; and
 - 5.2.3 the Counterparty shall, at the Authority's request, enter into a novation agreement in such form as the Authority may reasonably specify in order to enable the Authority to exercise its rights pursuant to this Clause 5.
- 5.3 A change in the legal status of the Authority such that it ceases to be a Crown Body shall not affect the validity of this Agreement and this Agreement shall be binding on any successor body to the Authority.

6. Contracts (Rights of Third Parties) Act 1999

- 6.1 A person who is not a Party to this Agreement has no right under the Contract (Rights of Third Parties) Act 1999 (as amended, updated or replaced from time to time) to enforce any term of this Agreement, but this does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

7. Transparency

- 7.1 The Parties acknowledge and agree that the Authority is under a legal duty pursuant to the Procurement Regulations to run transparent and fair procurement processes. Accordingly, the Authority may disclose the contents of this Agreement to Other Bidders (and/or potential Other Bidders) for the purposes of transparency and in order to evidence that a fair procurement process has been followed.

8. Notices

- 8.1 Except as otherwise expressly provided within this Contract, no notice or other communication from one Party to the other shall have any validity under this Contract unless made in writing by or on behalf of the Party concerned.
- 8.2 Any notice or other communication which is to be given by either Party under this Agreement to the other shall be given by electronic mail or by letter (such letter may be delivered by hand or sent by registered post or by recorded delivery). Provided the relevant communication is not returned as undelivered, the notice or communication shall be deemed to have been given two (2) Working Days after the day on which the letter was posted, or four (4) hours, in the case of electronic mail or sooner where the other Party acknowledges receipt of such letters, or item of electronic mail. Such letters shall be addressed to the other Party in the manner referred to in paragraph 8.3:
- 8.3 For the purposes of paragraph 8.2 of this Agreement, the address of each Party shall be:

	For the Supplier	For the Authority
Address	Village Way, Bilston, Wolverhampton, WV14 0UJ	Commercial Directorate, Phase 1, Peel Park, Brunel Way Blackpool FY4 5ES
For the attention of:	[Redacted]	Associate Commercial Specialist
Email	[Redacted]	See Key Personnel table – Schedule 29

- 8.4 Either Party may change its address for service by serving a notice in accordance with this Clause 8.

9. Waiver and Cumulative Remedies

- 9.1 The rights and remedies under this Agreement may be waived only by notice, and in a manner that expressly states that a waiver is intended. A failure or delay by a Party in ascertaining or exercising a right or remedy provided under this Agreement or by law shall not constitute a waiver of that right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.
- 9.2 Unless otherwise provided in this Agreement, rights and remedies under this Agreement are cumulative and do not exclude any rights or remedies provided by law, in equity or otherwise.

10. Term

- 10.1 Each Party's obligations under this Agreement shall continue in full force and effect for period of 18-months from the Effective Date or for the period of the duration of the Procurement Process, whichever is shorter.

11. Governing Law and Jurisdiction

- 11.1 This Agreement and any issues, disputes or claims (whether contractual or non-contractual) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of England and Wales.
- 11.2 The Parties agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) that arises out of or in connection with this Agreement or its subject matter or formation.

Signed by the Authority

Name:

Signature:

Position in Authority:

Signed by the Counterparty

Name:

Signature:

Position in Counterparty:

Schedule 26

Service Continuity Plan and Corporate Resolution Planning

Schedule 26: Service Continuity Plan and Corporate Resolution Planning

Part A: Service Continuity Plan

1. Definitions

1.1 In this Schedule, the following definitions shall apply:

“Business Continuity Plan”	has the meaning given in Paragraph 2.2.1(b);
“Business Continuity Services”	has the meaning given in Paragraph 4.2.2;
“Department”	a body listed in one of the following sub-categories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics: (a) Government Department; or (b) Non-Ministerial Department.
“Disaster”	the occurrence of one or more events which, either separately or cumulatively, mean that the Services, or a material part of the Services will be unavailable for a period of three (3) hours or which is reasonably anticipated will mean that the Services or a material part of the Services will be unavailable for that period;
“Disaster Recovery Plan”	has the meaning given in Paragraph 2.2.1(c);
“Disaster Recovery Services”	the services embodied in the processes and procedures for restoring the Services following the occurrence of a Disaster;
“Disaster Recovery System”	the system identified by the Supplier in the Supplier Solution which shall be used for the purpose of delivering the Disaster Recovery Services;
“Insolvency Continuity Plan”	has the meaning given in Paragraph 2.2.1(d).
“Related Service Provider”	any person who provides services to the Authority in relation to this Contract from time to time, which persons include as at the Effective Date

- (a) Royal Mail Group – for the provision of general mail handling, and pre-sortation services
- (b) Royal Mail Relay – for the provision of courier services;
- (c) NatWest Group – for the provision of banking services;

“Review Report” has the meaning given in Paragraphs 7.2.1 to 7.2.3; and

“Service Continuity Plan” means the plan prepared pursuant to Paragraph 2 of this Schedule which incorporates the Business Continuity Plan, Disaster Recovery Plan and the Insolvency Continuity Plan.

2. Service Continuity Plan

2.1 Within 40 Working Days from the Effective Date the Supplier shall prepare and deliver to the Authority for the Authority’s written approval a plan, which shall detail the processes and arrangements that the Supplier shall follow to:

2.1.1 ensure continuity of the business processes and operations supported by the Services following any failure or disruption of any element of the Services (including where caused by an Insolvency Event of the Supplier, any Key Sub-contractor and/or any Supplier Group member); and

2.1.2 ensure the recovery of the Services in the event of a Disaster.

2.2 The Service Continuity Plan shall:

2.2.1 be divided into four parts:

- (a) Part A which shall set out general principles applicable to the Service Continuity Plan;
- (b) Part B which shall relate to business continuity (the **“Business Continuity Plan”**);
- (c) Part C which shall relate to disaster recovery (the **“Disaster Recovery Plan”**);
- (d) Part D which shall relate to an Insolvency Event of the Supplier, any Key Sub-contractors and/or any Supplier Group member (the **“Insolvency Continuity Plan”**); and

2.2.2 unless otherwise required by the Authority in writing, be based upon and be consistent with the provisions of Paragraphs 3, 4, 5 and 6.

2.3 Following receipt of the draft Service Continuity Plan from the Supplier, the Authority shall:

2.3.1 review and comment on the draft Service Continuity Plan as soon as reasonably practicable; and

2.3.2 notify the Supplier in writing that it approves or rejects the draft Service Continuity Plan no later than 20 Working Days after the date on which the draft Service Continuity Plan is first delivered to the Authority.

- 2.4 If the Authority rejects the draft Service Continuity Plan:
- 2.4.1 the Authority shall inform the Supplier in writing of its reasons for its rejection; and
 - 2.4.2 the Supplier shall then revise the draft Service Continuity Plan (taking reasonable account of the Authority's comments) and shall re-submit a revised draft Service Continuity Plan to the Authority for the Authority's approval within 20 Working Days of the date of the Authority's notice of rejection. The provisions of Paragraph 2.3 and this Paragraph 2.4 shall apply again to any resubmitted draft Service Continuity Plan, provided that either Party may refer any disputed matters for resolution by the Dispute Resolution Procedure at any time.

3. Service Continuity Plan: Part A – General Principles and Requirements

- 3.1 Part A of the Service Continuity Plan shall:
- 3.1.1 set out how the business continuity, disaster recovery and insolvency continuity elements of the plan link to each other;
 - 3.1.2 provide details of how the invocation of any element of the Service Continuity Plan may impact upon the operation of the Services and any services provided to the Authority by a Related Service Provider;
 - 3.1.3 contain an obligation upon the Supplier to liaise with the Authority and (at the Authority's request) any Related Service Provider with respect to issues concerning business continuity, disaster recovery and insolvency continuity where applicable;
 - 3.1.4 detail how the Service Continuity Plan links and interoperates with any overarching and/or connected disaster recovery, business continuity and/or insolvency continuity plan of the Authority and any of its other Related Service Providers in each case as notified to the Supplier by the Authority from time to time;
 - 3.1.5 contain a communication strategy including details of an incident and problem management service and advice and help desk facility which can be accessed via multi-channels (including but without limitation a web-site (with FAQs), e-mail, phone and fax) for both portable and desk top configurations, where required by the Authority;
 - 3.1.6 contain a risk analysis, including:
 - (a) failure or disruption scenarios and assessments and estimates of frequency of occurrence;
 - (b) identification of any single points of failure within the Services and processes for managing the risks arising therefrom;
 - (c) identification of risks arising from the interaction of the Services with the services provided by a Related Service Provider;
 - (d) identification of risks arising from an Insolvency Event of the Supplier, any Key Sub-contractors and/or Supplier Group member; and

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- (e) a business impact analysis (detailing the impact on business processes and operations) of different anticipated failures or disruptions;
 - 3.1.7 provide for documentation of processes, including business processes, and procedures;
 - 3.1.8 set out key contact details (including roles and responsibilities) for the Supplier (and any Sub-contractors) and for the Authority;
 - 3.1.9 identify the procedures for reverting to “normal service”;
 - 3.1.10 set out method(s) of recovering or updating data collected (or which ought to have been collected) during a failure or disruption to ensure that there is no more than the accepted amount of data loss and to preserve data integrity;
 - 3.1.11 identify the responsibilities (if any) that the Authority has agreed it will assume in the event of the invocation of the Service Continuity Plan; and
 - 3.1.12 provide for the provision of technical advice and assistance to key contacts at the Authority as notified by the Authority from time to time to inform decisions in support of the Authority’s business continuity plans.
- 3.2 The Service Continuity Plan shall be designed so as to ensure that:
- 3.2.1 the Services are provided in accordance with this Contract at all times during and after the invocation of the Service Continuity Plan;
 - 3.2.2 the adverse impact of any Disaster; service failure; an Insolvency Event of the Supplier, any Key Sub-contractor and/or any Supplier Group member; or disruption on the operations of the Authority, is minimal as far as reasonably possible;
 - 3.2.3 it complies with the relevant provisions of ISO/IEC 22301 and all other industry standards from time to time in force; and
 - 3.2.4 there is a process for the management of disaster recovery testing detailed in the Service Continuity Plan.
- 3.3 The Service Continuity Plan shall be upgradeable and sufficiently flexible to support any changes to the Services, to the business processes facilitated by and the business operations supported by the Services, and/or changes to the Supplier Group structure.
- 3.4 The Supplier shall not be entitled to any relief from its obligations under the Performance Indicators or to any increase in the Charges to the extent that a Disaster occurs as a consequence of any breach by the Supplier of this Contract.

4. Service Continuity Plan: Part B – Business Continuity

Principles and Contents

- 4.1 The Business Continuity Plan shall set out the arrangements that are to be invoked to ensure that the business processes and operations facilitated by the Services remain supported and to ensure continuity of the business operations supported by the Services including, unless the Authority expressly states otherwise in writing:

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- 4.1.1 the alternative processes (including business processes), options and responsibilities that may be adopted in the event of a failure in or disruption to the Services; and
 - 4.1.2 the steps to be taken by the Supplier upon resumption of the Services in order to address any prevailing effect of the failure or disruption including a root cause analysis of the failure or disruption.
- 4.2 The Business Continuity Plan shall:
 - 4.2.1 address the various possible levels of failures of or disruptions to the Services;
 - 4.2.2 set out the services to be provided and the steps to be taken to remedy the different levels of failures of and disruption to the Services (such services and steps, the “**Business Continuity Services**”);
 - 4.2.3 specify any applicable Performance Indicators with respect to the provision of the Business Continuity Services and details of any agreed relaxation to the Performance Indicators in respect of other Services during any period of invocation of the Business Continuity Plan; and
 - 4.2.4 clearly set out the conditions and/or circumstances under which the Business Continuity Plan is invoked.

5. Service Continuity Plan: Part C – Disaster Recovery

Principles and Contents

- 5.1 The Disaster Recovery Plan shall be designed so as to ensure that upon the occurrence of a Disaster the Supplier ensures continuity of the business operations of the Authority supported by the Services following any Disaster or during any period of service failure or disruption with, as far as reasonably possible, minimal adverse impact.
- 5.2 The Disaster Recovery Plan shall be invoked only upon the occurrence of a Disaster.
- 5.3 The Disaster Recovery Plan shall include the following:
 - 5.3.1 the technical design and build specification of the Disaster Recovery System;
 - 5.3.2 details of the procedures and processes to be put in place by the Supplier in relation to the Disaster Recovery System and the provision of the Disaster Recovery Services and any testing of the same including but not limited to the following:
 - (a) data centre and disaster recovery site audits;
 - (b) backup methodology and details of the Supplier’s approach to data back-up and data verification;
 - (c) identification of all potential disaster scenarios;
 - (d) risk analysis;
 - (e) documentation of processes and procedures;

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- (f) hardware configuration details;
 - (g) network planning including details of all relevant data networks and communication links;
 - (h) invocation rules;
 - (i) Service recovery procedures; and
 - (j) steps to be taken upon resumption of the Services to address any prevailing effect of the failure or disruption of the Services;
- 5.3.3 any applicable Performance Indicators with respect to the provision of the Disaster Recovery Services and details of any agreed relaxation to the Performance Indicators in respect of other Services during any period of invocation of the Disaster Recovery Plan;
- 5.3.4 details of how the Supplier shall ensure compliance with security standards ensuring that compliance is maintained for any period during which the Disaster Recovery Plan is invoked;
- 5.3.5 access controls to any disaster recovery sites used by the Supplier in relation to its obligations pursuant to this Schedule; and
- 5.3.6 testing and management arrangements.
- 5.4 To ensure that the Authority is able continue to operate in the event of a Disaster the Supplier shall, on an annual basis, upload data to an Authority escrow account. Details of the escrow account will be provided by the Authority within 20 Working Days of the Implementation Services Commencement Date.
- 5.5 The Supplier shall undertake activities to prepare, verify, validate, and upload to the Authority escrow account all components relating to the Supplier System, which shall include:
 - 5.5.1 All source code
 - 5.5.2 Build scripts
 - 5.5.3 System configuration and specification
 - 5.5.4 Compiled binaries
 - 5.5.5 Business Rules
 - 5.5.6 All file and database configuration schema and table content
 - 5.5.7 Any Authority forms
- 5.5.A The Authority may conduct 2 – 3 snapshots per calendar year, on an ad hoc, no notice basis, of the components uploaded to the Authority escrow account as required by paragraphs 5.4 and 5.5. The Authority may also conduct a full test, at a frequency of not more than once in any 12 month period. Any snapshots and the full test will consider one, or more or all of the elements set out in paragraph 5.5.1 – 5.5.7, to enable the Authority to build an application tier environment from scratch, in the event this were necessary.

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- 5.6 The components uploaded to the Authority escrow account as a consequence of the operation of clause 5.5 shall constitute Confidential Information and will be returned to the Supplier in accordance with paragraph 6.8 of Schedule 25: Exit Management (Schedule 25: Exit Management)

6. Service Continuity Plan: Part D – Insolvency Continuity Plan

Principles and Contents

- 6.1 The Insolvency Continuity Plan shall be designed by the Supplier to permit continuity of the business operations of the Authority supported by the Services through continued provision of the Services following an Insolvency Event of the Supplier, any Key Sub-contractor and/or any Supplier Group member with, as far as reasonably possible, minimal adverse impact.
- 6.2 The Insolvency Continuity Plan shall include the following:
- 6.2.1 communication strategies which are designed to minimise the potential disruption to the provision of the Services, including key contact details in respect of the supply chain and key contact details for operational and contract Supplier Personnel, Key Sub-contractor personnel and Supplier Group member personnel;
 - 6.2.2 identification, explanation, assessment and an impact analysis of risks in respect of dependencies between the Supplier, Key Sub-contractors and Supplier Group members where failure of those dependencies could reasonably have an adverse impact on the Services;
 - 6.2.3 plans to manage and mitigate identified risks;
 - 6.2.4 details of the roles and responsibilities of the Supplier, Key Sub-contractors and/or Supplier Group members to minimise and mitigate the effects of an Insolvency Event of such persons on the Services;
 - 6.2.5 details of the recovery team to be put in place by the Supplier (which may include representatives of the Supplier, Key Sub-contractors and Supplier Group members); and
 - 6.2.6 sufficient detail to enable an appointed insolvency practitioner to invoke the plan in the event of an Insolvency Event of the Supplier.
- 6.3 Further to the requirements of Schedule 25 (Exit Management), upon the termination or expiry of the Contract, and/or otherwise upon an Insolvency Event of the Supplier, the Supplier shall at its own cost and at no cost to the Authority:
- 6.3.1 conduct a full and thorough search for any electronic and paper records held by the Supplier which contain Authority Data in accordance with the Authority instructions;
 - 6.3.2 return all such records to the Authority in accordance with their instructions;
 - 6.3.3 permanently destroy all copies of any relevant electronic records; and
 - 6.3.4 provide written confirmation to the Authority that the actions outlined above in

this paragraph have been completed.

- 6.4 In the event of an Insolvency Event of a Sub-contractor then the Supplier shall recover records held by the Sub-contractor and provide assurance to the Authority that they have been recovered.
- 6.5 In the event the Supplier is put into Administration the Authority will work closely with the administrator to ensure the Supplier is able to maintain Authority and other records they have created and held and maintain these standards in the safekeeping of Authority information, i.e. these records must be stored in accordance with Authority information assurance and HMG Cabinet Office information security standards.
- 6.6 Whilst in Administration the duty of the administrator is to help the Supplier trade. This may involve the Administrator seeking an organisation to buy up the Supplier. The assignment or novation of this Contract to new ownership is not automatic and no assignment, novation, or other transfer of this Contract shall be valid without the prior written consent of the Authority.

7. Review and Amendment of the Service Continuity Plan

- 7.1 The Supplier shall review and update the Service Continuity Plan (and the risk analysis on which it is based):
 - 7.1.1 on a regular basis and as a minimum once every 12 months;
 - 7.1.2 within three calendar months of the Service Continuity Plan (or any part) having been invoked pursuant to Paragraph 9;
 - 7.1.3 within 14 days of a Financial Distress Event;
 - 7.1.4 within 30 days of a Corporate Change Event (unless the Relevant Authority (acting reasonably) agrees to a Corporate Change Event Grace Period, as set out in Paragraph 2.8.2(a) of Part B (Corporate Resolution Planning), in which case that Corporate Change Event Grace Period will apply); and
 - 7.1.5 where the Authority requests any additional reviews (over and above those provided for in Paragraphs 7.1.1 to 7.1.4) by notifying the Supplier to such effect in writing, whereupon the Supplier shall conduct such reviews in accordance with the Authority's written requirements. Prior to starting its review, the Supplier shall provide an accurate written estimate of the total costs payable by the Authority for the Authority's approval. The costs of both Parties of any such additional reviews shall be met by the Authority except that the Supplier shall not be entitled to charge the Authority for any costs that it may incur above any estimate without the Authority's prior written approval.
- 7.2 Each review of the Service Continuity Plan pursuant to Paragraph 7.1 shall be a review of the procedures and methodologies set out in the Service Continuity Plan and shall assess their suitability having regard to any change to the Services or any underlying business processes and operations facilitated by or supported by the Services which have taken place since the later of the original approval of the Service Continuity Plan or the last review of the Service Continuity Plan and shall also have regard to any occurrence of any event since that date (or the likelihood of any such event taking place in the foreseeable future) which may increase the likelihood of the need to invoke the Service Continuity Plan. The

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review shall be completed by the Supplier within the period required by the Service Continuity Plan or, if no such period is required, within such period as the Authority shall reasonably require. The Supplier shall, within 20 Working Days of the conclusion of each such review of the Service Continuity Plan, provide to the Authority a report (a “**Review Report**”) setting out:

- 7.2.1 the findings of the review;
 - 7.2.2 any changes in the risk profile associated with the Services; and
 - 7.2.3 the Supplier’s proposals (the “**Supplier’s Proposals**”) for addressing any changes in the risk profile and its proposals for amendments to the Service Continuity Plan following the review detailing the impact (if any and to the extent that the Supplier can reasonably be expected to be aware of the same) that the implementation of such proposals may have on any services or systems provided by a third party.
- 7.3 Following receipt of the Review Report and the Supplier’s Proposals, the Authority shall:
- 7.3.1 review and comment on the Review Report and the Supplier’s Proposals as soon as reasonably practicable; and
 - 7.3.2 notify the Supplier in writing that it approves or rejects the Review Report and the Supplier’s Proposals no later than 20 Working Days after the date on which they are first delivered to the Authority.
- 7.4 If the Authority rejects the Review Report and/or the Supplier’s Proposals:
- 7.4.1 the Authority shall inform the Supplier in writing of its reasons for its rejection; and
 - 7.4.2 the Supplier shall then revise the Review Report and/or the Supplier’s Proposals as the case may be (taking reasonable account of the Authority’s comments and carrying out any necessary actions in connection with the revision) and shall re-submit a revised Review Report and/or revised Supplier’s Proposals to the Authority for the Authority’s approval within 20 Working Days of the date of the Authority’s notice of rejection. The provisions of Paragraph 7.3 and this Paragraph 7.4 shall apply again to any resubmitted Review Report and Supplier’s Proposals, provided that either Party may refer any disputed matters for resolution by the Dispute Resolution Procedure at any time.
- 7.5 The Supplier shall as soon as is reasonably practicable after receiving the Authority’s approval of the Supplier’s Proposals (having regard to the significance of any risks highlighted in the Review Report) effect any change in its practices or procedures necessary so as to give effect to the Supplier’s Proposals. Any such change shall be at the Supplier’s expense unless it can be reasonably shown that the changes are required because of a material change to the risk profile of the Services.

8. Testing of the Service Continuity Plan

- 8.1 The Supplier shall test the Service Continuity Plan on a regular basis (and in any event not less than once in every Contract Year). Subject to Paragraph 8.2, the Authority may require the Supplier to conduct additional tests of some or all aspects of the Service Continuity

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Plan at any time where the Authority considers it necessary, including where there has been any change to the Services or any underlying business processes, or on the occurrence of any event which may increase the likelihood of the need to implement the Service Continuity Plan.

- 8.2 If the Authority requires an additional test of the Service Continuity Plan, it shall give the Supplier written notice and the Supplier shall conduct the test in accordance with the Authority's requirements and the relevant provisions of the Service Continuity Plan. The Supplier's costs of the additional test shall be borne by the Authority unless the Service Continuity Plan fails the additional test in which case the Supplier's costs of that failed test shall be borne by the Supplier.
- 8.3 The Supplier shall undertake and manage testing of the Service Continuity Plan in full consultation with the Authority and shall liaise with the Authority in respect of the planning, performance, and review, of each test, and shall comply with the reasonable requirements of the Authority in this regard. Each test shall be carried out under the supervision of the Authority or its nominee.
- 8.4 The Supplier shall ensure that any use by it or any Sub-contractor of "live" data in such testing is first approved with the Authority. Copies of live test data used in any such testing shall be (if so required by the Authority) destroyed or returned to the Authority on completion of the test.
- 8.5 The Supplier shall, within 20 Working Days of the conclusion of each test, provide to the Authority a report setting out:
 - 8.5.1 the outcome of the test;
 - 8.5.2 any failures in the Service Continuity Plan (including the Service Continuity Plan's procedures) revealed by the test; and
 - 8.5.3 the Supplier's proposals for remedying any such failures.
- 8.6 Following each test, the Supplier shall take all measures requested by the Authority, (including requests for the re-testing of the Service Continuity Plan) to remedy any failures in the Service Continuity Plan and such remedial activity and re-testing shall be completed by the Supplier, at no additional cost to the Authority, by the date reasonably required by the Authority and set out in such notice.
- 8.7 For the avoidance of doubt, the carrying out of a test of the Service Continuity Plan (including a test of the Service Continuity Plan's procedures) shall not relieve the Supplier of any of its obligations under this Contract.
- 8.8 The Supplier shall also perform a test of the Service Continuity Plan in the event of any major reconfiguration of the Services or as otherwise reasonably requested by the Authority.

9. Invocation of the Service Continuity Plan

- 9.1 In the event of a loss of any critical part of the Service or a Disaster, the Supplier shall immediately invoke the business continuity and disaster recovery provisions in the Service Continuity Plan, including any linked elements in other parts of the Service Continuity Plan, and shall inform the Authority promptly of such invocation. In all other instances the

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Supplier shall invoke the business continuity and disaster recovery plan elements only with the prior consent of the Authority.

9.2 The Insolvency Continuity Plan element of the Service Continuity Plans, including any linked elements in other parts of the Service Continuity Plan, shall be invoked by the Supplier:

9.2.1 where an Insolvency Event of a Key Sub-contractor and/or Supplier Group member (other than the Supplier) could reasonably be expected to adversely affect delivery of the Services; and/or

9.2.2 where there is an Insolvency Event of the Supplier and the insolvency arrangements enable the Supplier to invoke the plan;

Part B: Corporate Resolution Planning

1. Service Status and Supplier Status

- 1.1 This Contract is a Critical Service Contract.
- 1.2 The Supplier shall notify the Authority and the Cabinet Office Markets and Suppliers Team (Resolution.planning@cabinetoffice.gov.uk) in writing within 5 Working Days of the Effective Date and throughout the Term within 120 days after each Accounting Reference Date as to whether or not it is a Public Sector Dependent Supplier.

2. Provision of Corporate Resolution Planning Information (CRP Information)

- 2.1 Paragraphs 2 to 4 of this Part B shall apply if this Contract has been specified as a Critical Service Contract under Paragraph 1.1 of this Part B or the Supplier is or becomes a Public Sector Dependent Supplier.
- 2.2 Subject to Paragraphs 2.6, 2.10 and 2.11 of this Part B:
 - 2.2.1 where this Contract is a Critical Service Contract, the Supplier shall provide the Relevant Authority or Relevant Authorities with CRP Information within 60 days of the Effective Date; and
 - 2.2.2 except where it has already been provided in accordance with Paragraph 2.2.1 of this Part B, where the Supplier is a Public Sector Dependent Supplier, it shall provide the Relevant Authority or Relevant Authorities with the CRP Information within 60 days of the date of the Relevant Authority's or Relevant Authorities' request.
- 2.3 The Supplier shall ensure that the CRP Information provided pursuant to Paragraphs 2.2, 2.8 and 2.9 of this Part B:
 - 2.3.1 is full, comprehensive, accurate and up to date;
 - 2.3.2 is split into three parts:
 - (a) Exposure Information (Contracts List);
 - (b) Corporate Resolvability Assessment (Structural Review);
 - (c) Financial Information and Commentaryand is structured and presented in accordance with the requirements and explanatory notes set out at the relevant Annex of the latest published versions of the Resolution Planning Guidance Notes published by the Cabinet Office Government Commercial Function and available at <https://www.gov.uk/government/publications/the-sourcing-and-consultancy-playbooks> and contains the level of detail required (adapted as necessary to the Supplier's circumstances);
 - 2.3.3 incorporates any additional commentary, supporting documents and evidence which would reasonably be required by the Relevant Authority or Relevant Authorities to understand and consider the information for approval;

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- 2.3.4 provides a clear description and explanation of the Supplier Group members that have agreements for goods, services or works provision in respect of UK Public Sector Business and/or CNI and the nature of those agreements; and
- 2.3.5 complies with the requirements set out at Annex 1 (*Exposure Information (Contracts List)*), Annex 2 (*Corporate Resolvability Assessment (Structural Review)*) and Annex 3 (*Financial Information And Commentary*) respectively.
- 2.4 Following receipt by the Relevant Authority or Relevant Authorities of the CRP Information pursuant to Paragraphs 2.2, 2.8 and 2.9 of this Part B, the Authority shall procure that the Relevant Authority or Relevant Authorities discuss in good faith the contents of the CRP Information with the Supplier and no later than 60 days after the date on which the CRP Information was delivered by the Supplier either provide an Assurance to the Supplier that Relevant Authority or Relevant Authorities approve the CRP Information or that Relevant Authority or Relevant Authorities reject the CRP Information.
- 2.5 If the Relevant Authority or Relevant Authorities reject the CRP Information:
 - 2.5.1 the Authority shall (and shall procure that the Cabinet Office Markets and Suppliers Team shall) inform the Supplier in writing of its reasons for its rejection; and
 - 2.5.2 the Supplier shall revise the CRP Information, taking reasonable account of the Relevant Authority's or Relevant Authorities' comments, and shall re-submit the CRP Information to the Relevant Authority or Relevant Authorities for approval within 30 days of the date of the Relevant Authority's or Relevant Authorities' rejection. The provisions of Paragraph 2.3 to 2.5 of this Part B shall apply again to any resubmitted CRP Information provided that either Party may refer any disputed matters for resolution by the Dispute Resolution Procedure at any time.
- 2.6 Where the Supplier or a member of the Supplier Group has already provided CRP Information to a Department or the Cabinet Office Markets and Suppliers Team (or, in the case of a Strategic Supplier, solely to the Cabinet Office Markets and Suppliers Team) and has received an Assurance of its CRP Information from that Department and the Cabinet Office Markets and Suppliers Team (or, in the case of a Strategic Supplier, solely from the Cabinet Office Markets and Suppliers Team), then provided that the Assurance remains Valid on the date by which the CRP Information would otherwise be required, the Supplier shall not be required to provide the CRP Information under Paragraph 2.2 if it provides a copy of the Valid Assurance to the Relevant Authority or Relevant Authorities on or before the date on which the CRP Information would otherwise have been required.
- 2.7 An Assurance shall be deemed Valid for the purposes of Paragraph 2.6 of this Part B if:
 - 2.7.1 the Assurance is within the validity period stated in the Assurance (or, if no validity period is stated, no more than 12 months has elapsed since it was issued and no more than 18 months has elapsed since the Accounting Reference Date on which the CRP Information was based); and
 - 2.7.2 no Corporate Change Events or Financial Distress Events (or events which would be deemed to be Corporate Change Events or Financial Distress Events if this Contract had then been in force) have occurred since the date of issue of the Assurance.

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- 2.8 If this Contract is a Critical Service Contract, the Supplier shall provide an updated version of the CRP Information (or, in the case of Paragraph 2.8.3 of this Part B its initial CRP Information) to the Relevant Authority or Relevant Authorities:
- 2.8.1 within 14 days of the occurrence of a Financial Distress Event (along with any additional highly confidential information no longer exempted from disclosure under Paragraph 2.11 of this Part B) unless the Supplier is relieved of the consequences of the Financial Distress Event under Paragraph 7.1 of Schedule 18 (*Financial Distress*)
- 2.8.2 within 30 days of a Corporate Change Event unless:
- (a) the Supplier requests and the Relevant Authority (acting reasonably) agrees to a Corporate Change Event Grace Period, in the event of which the time period for the Supplier to comply with this Paragraph shall be extended as determined by the Relevant Authority (acting reasonably) but shall in any case be no longer than six months after the Corporate Change Event. During a Corporate Change Event Grace Period the Supplier shall regularly and fully engage with the Relevant Authority to enable it to understand the nature of the Corporate Change Event and the Relevant Authority shall reserve the right to terminate a Corporate Change Event Grace Period at any time if the Supplier fails to comply with this Paragraph; or
 - (b) not required pursuant to Paragraph 2.10;
- 2.8.3 within 30 days of the date that:
- (a) the credit rating(s) of each of the Supplier and its Parent Undertakings fail to meet any of the criteria specified in Paragraph 2.10; or
 - (b) none of the credit rating agencies specified at Paragraph 2.10 hold a public credit rating for the Supplier or any of its Parent Undertakings; and
- 2.8.4 in any event, within 6 months after each Accounting Reference Date or within 15 months of the date of the previous Assurance received from the Relevant Authority (whichever is the earlier), unless:
- (a) updated CRP Information has been provided under any of Paragraphs 2.8.1 2.8.2 or 2.8.3 since the most recent Accounting Reference Date (being no more than 12 months previously) within the timescales that would ordinarily be required for the provision of that information under this Paragraph 2.8.4; or
 - (b) unless not required pursuant to Paragraph 2.10.
- 2.9 Where the Supplier is a Public Sector Dependent Supplier and this Contract is not a Critical Service Contract, then on the occurrence of any of the events specified in Paragraphs 2.8.1 to 2.8.4 of this Part B, the Supplier shall provide at the request of the Relevant Authority or Relevant Authorities and within the applicable timescales for each event as set out in Paragraph 2.8 (or such longer timescales as may be notified to the Supplier by the Authority), the CRP Information to the Relevant Authority or Relevant Authorities.

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2.10 Where the Supplier or a Parent Undertaking of the Supplier has a credit rating of either:

- 2.10.1 Aa3 or better from Moody's; or
- 2.10.2 AA- or better from Standard and Poor's; or
- 2.10.3 AA- or better from Fitch;

the Supplier will not be required to provide any CRP Information unless or until either (i) a Financial Distress Event occurs (unless the Supplier is relieved of the consequences of the Financial Distress Event under Schedule 18 (*Financial Distress*)) or (ii) the Supplier and its Parent Undertakings cease to fulfil the criteria set out in this Paragraph 2.10, in which cases the Supplier shall provide the updated version of the CRP Information in accordance with Paragraph 2.8.

2.11 Subject to Paragraph 4, where the Supplier demonstrates to the reasonable satisfaction of the Relevant Authority or Relevant Authorities that a particular item of CRP Information is highly confidential, the Supplier may, having orally disclosed and discussed that information with the Relevant Authority or Relevant Authorities, redact or omit that information from the CRP Information provided that if a Financial Distress Event occurs, this exemption shall no longer apply and the Supplier shall promptly provide the relevant information to the Relevant Authority or Relevant Authorities to the extent required under Paragraph 2.8.

3. Termination Rights

3.1 The Authority shall be entitled to terminate this Contract under Clause 31.1 (*Termination by the Authority*) if the Supplier is required to provide CRP Information under Paragraph 2 of this Part B and either:

- 3.1.1 the Supplier fails to provide the CRP Information within 4 months of the Effective Date if this is a Critical Service Contract or otherwise within 4 months of the Relevant Authority's or Relevant Authorities' request; or
- 3.1.2 the Supplier fails to obtain an Assurance from the Relevant Authority or Relevant Authorities within 4 months of the date that it was first required to provide the CRP Information under this Contract.

4. Confidentiality and usage of CRP Information

4.1 The Authority agrees to keep the CRP Information confidential and use it only to understand the implications of an Insolvency Event of the Supplier and/or Supplier Group members on its UK Public Sector Business and/or services in respect of CNI and to enable contingency planning to maintain service continuity for end users and protect CNI in such eventuality.

4.2 Where the Relevant Authority is the Cabinet Office Markets and Suppliers Team, at the Supplier's request, the Authority shall use reasonable endeavours to procure that the Cabinet Office enters into a confidentiality and usage agreement with the Supplier containing terms no less stringent than those placed on the Authority under Paragraph 4.1 of this Part B and Clause 19 (*Confidentiality*).

4.3 The Supplier shall use reasonable endeavours to obtain consent from any third party which has restricted the disclosure of the CRP Information to enable disclosure of that

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information to the Relevant Authority or Relevant Authorities pursuant to Paragraph 2 of this Part B subject, where necessary, to the Relevant Authority or Relevant Authorities entering into an appropriate confidentiality agreement in the form required by the third party.

- 4.4 Where the Supplier is unable to procure consent pursuant to Paragraph 4.3 of this Part B, the Supplier shall use all reasonable endeavours to disclose the CRP Information to the fullest extent possible by limiting the amount of information it withholds including by:

4.4.1 redacting only those parts of the information which are subject to such obligations of confidentiality

4.4.2 providing the information in a form that does not breach its obligations of confidentiality including (where possible) by:

- (a) summarising the information;
- (b) grouping the information;
- (c) anonymising the information; and
- (d) presenting the information in general terms

- 4.5 The Supplier shall provide the Relevant Authority or Relevant Authorities with contact details of any third party which has not provided consent to disclose CRP Information where that third party is also a public sector body and where the Supplier is legally permitted to do so.

Annex 1: Exposure Information (Contracts List)

1. The Supplier shall:

- 1.1 provide details of all agreements held by members of the Supplier Group where those agreements are for goods, services or works provision and:
 - 1.1.1 are with any UK public sector bodies including: Crown Bodies and their arms-length bodies and agencies, non-departmental public bodies, NHS bodies, local authorities, health bodies, police fire and rescue, education bodies and the devolved administrations;
 - 1.1.2 are with any private sector entities where the end recipient of the service, goods or works provision is any of the bodies set out in Paragraph 1.1.1 of this Annex 1 and where the member of the Supplier Group is acting as a key sub-contractor under the agreement with the end recipient; or
 - 1.1.3 involve or could reasonably be considered to involve CNI;
- 1.2 provide the Relevant Authority with a copy of the latest version of each underlying contract worth more than £5m per contract year and their related key sub-contracts, which shall be included as embedded documents within the CRP Information or via a directly accessible link.

Annex 2: Corporate Resolvability Assessment (Structural Review)

1. The Supplier shall:

- 1.1 provide sufficient information to allow the Relevant Authority to understand the implications on the Supplier Group's UK Public Sector Business and CNI contracts listed pursuant to Annex 1 if the Supplier or another member of the Supplier Group is subject to an Insolvency Event.
- 1.2 ensure that the information is presented so as to provide a simple, effective and easily understood overview of the Supplier Group; and
- 1.3 provide full details of the importance of each member of the Supplier Group to the Supplier Group's UK Public Sector Business and CNI contracts listed pursuant to Annex 1 and the dependencies between each.

Annex 3: Financial Information And Commentary

1. The Supplier shall:

- 1.1 provide sufficient financial information for the Supplier Group level, contracting operating entities level, and shared services entities' level to allow the Relevant Authority to understand the current financial interconnectedness of the Supplier Group and the current performance of the Supplier as a standalone entity; and
 - 1.2 ensure that the information is presented in a simple, effective and easily understood manner.
- 2.** For the avoidance of doubt the financial information to be provided pursuant to Paragraph 1 of this Annex 3 should be based on the most recent audited accounts for the relevant entities (or interim accounts where available) updated for any material changes since the Accounting Reference Date provided that such accounts are available in a reasonable timeframe to allow the Supplier to comply with its obligations under this Schedule 26 (*Service Continuity Plan and Corporate Resolution Planning*). If such accounts are not available in that timeframe, financial information should be based on unpublished unaudited accounts or management accounts (disclosure of which to the Cabinet Office Markets and Suppliers Team remains protected by confidentiality).

Schedule 27

Conduct of Claims

Schedule 27: Conduct of Claims

1. Indemnities

- 1.1 This Schedule shall apply to the conduct, by a Party from whom an indemnity is sought under this Contract (the “**Indemnifier**”), of claims made by a third person against a party having (or claiming to have) the benefit of the indemnity (the “**Beneficiary**”).
- 1.2 If the Beneficiary receives any notice of any claim for which it appears that the Beneficiary is, or may become, entitled to indemnification under this Contract (a “**Claim**”), the Beneficiary shall give notice in writing to the Indemnifier as soon as reasonably practicable and in any event within 10 Working Days of receipt of the same.
- 1.3 Subject to Paragraph 2, on the giving of a notice by the Beneficiary, where it appears that the Beneficiary is or may be entitled to indemnification from the Indemnifier in respect of all (but not part only) of the liability arising out of the Claim, the Indemnifier shall (subject to providing the Beneficiary with a secured indemnity to its reasonable satisfaction against all costs and expenses that it may incur by reason of such action) be entitled to dispute the Claim in the name of the Beneficiary at the Indemnifier’s own expense and take conduct of any defence, dispute, compromise or appeal of the Claim and of any incidental negotiations relating to the Claim. If the Indemnifier does elect to conduct the Claim, the Beneficiary shall give the Indemnifier all reasonable cooperation, access and assistance for the purposes of such Claim and, subject to Paragraph 2.2, the Beneficiary shall not make any admission which could be prejudicial to the defence or settlement of the Claim without the prior written consent of the Indemnifier.
- 1.4 With respect to any Claim conducted by the Indemnifier pursuant to Paragraph 1.3:
 - 1.4.1 the Indemnifier shall keep the Beneficiary fully informed and consult with it about material elements of the conduct of the Claim;
 - 1.4.2 the Indemnifier shall not bring the name of the Beneficiary into disrepute;
 - 1.4.3 the Indemnifier shall not pay or settle such Claim without the prior written consent of the Beneficiary, such consent not to be unreasonably withheld or delayed; and
 - 1.4.4 the Indemnifier shall conduct the Claim with all due diligence.
- 1.5 The Beneficiary shall be entitled to have conduct of the Claim and shall be free to pay or settle any Claim on such terms as it thinks fit and without prejudice to its rights and remedies under this Contract if:
 - 1.5.1 the Indemnifier is not entitled to take conduct of the Claim in accordance with Paragraph 1.3;
 - 1.5.2 the Indemnifier fails to notify the Beneficiary in writing of its intention to take conduct of the relevant Claim within 10 Working Days of the notice from the Beneficiary or if the Indemnifier notifies the Beneficiary in writing that it does not intend to take conduct of the Claim; or
 - 1.5.3 the Indemnifier fails to comply in any material respect with the provisions of

Paragraph 1.4.

2. Sensitive Claims

- 2.1 With respect to any Claim which the Beneficiary, acting reasonably, considers is likely to have an adverse impact on the general public's perception of the Beneficiary (a "**Sensitive Claim**"), the Indemnifier shall be entitled to take conduct of any defence, dispute, compromise or appeal of the Sensitive Claim only with the Beneficiary's prior written consent. If the Beneficiary withholds such consent and elects to conduct the defence, dispute, compromise or appeal of the Sensitive Claim itself, it shall conduct the Sensitive Claim with all due diligence and if it fails to do so, the Indemnifier shall only be liable to indemnify the Beneficiary in respect of that amount which would have been recoverable by the Beneficiary had it conducted the Sensitive Claim with all due diligence.
- 2.2 The Beneficiary shall be free at any time to give written notice to the Indemnifier that it is retaining or taking over (as the case may be) the conduct of any Claim, to which Paragraph 1.3 applies if, in the reasonable opinion of the Beneficiary, the Claim is, or has become, a Sensitive Claim.

3. Recovery of Sums

- 3.1 If the Indemnifier pays to the Beneficiary an amount in respect of an indemnity and the Beneficiary subsequently recovers (whether by payment, discount, credit, saving, relief or other benefit or otherwise) a sum which is directly referable to the fact, matter, event or circumstances giving rise to the Claim, the Beneficiary shall forthwith repay to the Indemnifier whichever is the lesser of:
- 3.1.1 an amount equal to the sum recovered (or the value of the discount, credit, saving, relief, other benefit or amount otherwise obtained) less any out-of-pocket costs and expenses properly incurred by the Beneficiary in recovering or obtaining the same; and
- 3.1.2 the amount paid to the Beneficiary by the Indemnifier in respect of the Claim under the relevant indemnity.

4. Mitigation

- 4.1 Each of the Authority and the Supplier shall at all times take all reasonable steps to minimise and mitigate any loss for which the relevant Party is entitled to bring a claim against the other Party pursuant to the indemnities in this Schedule.

Schedule 28

Staff Transfer

Schedule 28: Staff Transfer

1. Definitions

1.1 In this Schedule, the following definitions shall apply:

“Admission Agreement”	either or both of the CSPA Admission Agreement (as defined in Annex D1: CSPA);
“Fair Deal Employees”	as defined in Part D;
“Former Supplier”	a supplier supplying services to the Authority before any Relevant Transfer Date that are the same as or substantially similar to the Services (or any part of the Services) and shall include any sub-contractor of such supplier (or any sub-contractor of any such sub-contractor);
“Employment losses”	direct losses, liabilities, claims, damages, costs, charges, outgoings, and expenses (included legal expenses) of every description, provided in each case that such losses are reasonable, direct, proper and mitigated;
“Equans”	Equans Services Limited, company registered number 00598379;
“New Fair Deal”	<p>the revised Fair Deal position set out in the HM Treasury guidance: <i>“Fair Deal for staff pensions: staff transfer from central government”</i> issued in October 2013 including:</p> <p>(a) any amendments to that document immediately prior to the Relevant Transfer Date;</p> <p>(b) any similar pension protection in accordance with the Annexes D1-D3 inclusive to Part D of this Schedule as notified to the Supplier by the Authority;</p>
“Notified Sub-contractor”	a Sub-contractor identified in the Annex to this Schedule to whom Transferring Former Supplier Employees will transfer on a Relevant Transfer Date;
“Old Fair Deal”	HM Treasury Guidance <i>“Staff Transfers from Central Government: A Fair Deal for Staff Pensions”</i> issued in June 1999 including the supplementary guidance <i>“Fair Deal for Staff pensions: Procurement of Bulk Transfer Agreements and Related Issues”</i> issued in June 2004;
“Replacement Sub-contractor”	a sub-contractor of the Replacement Supplier to whom Transferring Supplier Employees will transfer on a Service

	Transfer Date (or any sub-contractor of any such sub-contractor);
“Relevant Transfer”	a transfer of employment to which the Employment Regulations applies;
“Relevant Transfer Date”	in relation to a Relevant Transfer, the date upon which the Relevant Transfer takes place. For the purposes of Part D and its Annexes, where the Supplier or a Sub-contractor was the Former Supplier and there is no Relevant Transfer of the Fair Deal Employees because they remain continuously employed by the Supplier (or Sub-contractor), references to the Relevant Transfer Date shall become references to the Operational Service Commencement Date;
“Restore”	Restore PLC, company registered number 05169780;
“Service Transfer”	any transfer of the Services (or any part of the Services), for whatever reason, from the Supplier or any Sub-contractor to a Replacement Supplier or a Replacement Sub-contractor;
“Service Transfer Date”	the date of a Service Transfer or, if more than one, the date of the relevant Service Transfer as the context requires;
“Staffing Information”	in relation to all persons identified on the Supplier’s Provisional Supplier Personnel List or Supplier’s Final Supplier Personnel List, as the case may be, all information required in Annex E2: Staffing Information in the format specified and with the identities of Data Subjects anonymised where possible. The Authority may acting reasonably make changes to the format or information requested in Annex E2: Staffing Information from time to time.
“Statutory Schemes”	means the CSPA, NHSPA or LGPS as defined in the Annexes to Part D of this Schedule;
“Supplier’s Final Supplier Personnel List”	a list provided by the Supplier of all Supplier Personnel who will transfer under the Employment Regulations on the Service Transfer Date;
“Supplier’s Provisional Supplier Personnel List”	a list prepared and updated by the Supplier of all Supplier Personnel who are at the date of the list wholly or mainly engaged in or assigned to the provision of the Services or any relevant part of the Services which it is envisaged as at the date of such list will no longer be provided by the Supplier;
“Transferring Equans Employees”	employees of Equans who are wholly or mainly assigned to work in the provision of services that are the same or substantially the same as the Services (or any part of the

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Services) and who are/will be the subject of a Relevant Transfer by virtue of the application of the Employment Regulations on the Relevant Transfer Date;

“Transferring Former Supplier Employees”

in relation to a Former Supplier, those employees of the Former Supplier to whom the Employment Regulations will apply on the Relevant Transfer Date;

“Transferring Restore Employees”

those employees of Restore to whom the Employment Regulations will apply on the Relevant Transfer Date; and

“Transferring Supplier Employees”

those employees of the Supplier and/or the Supplier’s Sub-contractors to whom the Employment Regulations will apply on the Service Transfer Date.

2. Interpretation

- 2.1 Where a provision in this Schedule imposes an obligation on the Supplier to provide an indemnity, undertaking or warranty, the Supplier shall procure that each of its Sub-contractors shall comply with such obligation and provide such indemnity, undertaking or warranty to the Authority, Former Supplier, Replacement Supplier or Replacement Sub-contractor, as the case may be.

3. Applicable Parts of this Schedule

- 3.1 The following parts of this Schedule shall apply to this Contract:

3.1.1 Part A (*Staff Transfer At Operational Commencement Date – Outsourcing From the Authority*) – N/A

3.1.2 Part B (*Staff Transfer At Operational Commencement Date – Transfer From Former Supplier*)

3.1.3 Part C (*No Staff Transfer On Operational Commencement Date*) – N/A

3.1.4 Part D (*Pensions*)

(a) Annex D1 (*CSPS*)

3.1.5 Part E (*Employment Exit Provisions*) of this Schedule will always apply to this Contract, including:

(a) Annex E1 (*List Of Notified Sub-Contractors*)

(b) Annex E2 (*Staffing Information*).

Part A: Transferring Authority Employees at Commencement of Services

1. Not Used

Part B: Transferring Former Supplier Employees at Commencement of Services

1. Relevant Transfers

- 1.1 The Authority and the Supplier agree that:
 - 1.1.1 the commencement of the provision of the Services or of any relevant part of the Services will be a Relevant Transfer in relation to the Transferring Former Supplier Employees; and
 - 1.1.2 as a result of the operation of the Employment Regulations, the contracts of employment between each Former Supplier and the Transferring Former Supplier Employees (except in relation to any terms disapplied through the operation of regulation 10 of the Employment Regulations) shall have effect on and from the Relevant Transfer Date as if originally made between the Supplier and/or Notified Sub-contractor and each such Transferring Former Supplier Employee.

2. Former Supplier Indemnities

Equans Indemnities

- 2.1 The Authority shall procure that Equans shall comply with all its obligations under the Employment Regulations and shall perform and discharge all its obligations in respect of all the Transferring Equans Employees in respect of the period up to (but not including) the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part in respect of the period up to (but not including) the Relevant Transfer Date) and the Supplier shall make, and the Authority shall procure that Equans makes, any necessary apportionments in respect of any periodic payments between:-
 - 2.1.1 Equans; and
 - 2.1.2 the Supplier and/or any Notified Sub-contractor
- 2.2 Subject to Paragraph 2.3, the Authority shall procure that Equans shall indemnify the Supplier and any Notified Sub-contractor from and against any Employment Losses in connection with or as a result of:
 - 2.2.1 any claim or demand in respect of any Transferring Equans Employee arising out of their employment or the termination of their employment provided that this arises from or as a result of any act or omission by Equans in respect of any Transferring Equans Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Equans Employee arising before or after the Relevant Transfer Date;
 - 2.2.2 any claim or demand arising from or as a result of the breach or non-observance by Equans arising before the Relevant Transfer Date of:

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- (a) any collective agreement applicable to the Transferring Equans Employees; and/or
- (b) any other custom or practice in respect of any Transferring Equans Employees which Equans is contractually bound to honour;
- (c) any claim by any trade union or other body or person representing any Transferring Equans Employees arising from or connected with any failure by Equans to comply with any legal obligations to such trade union, body or person arising on or before the Service Transfer Date; and
- (d) any claim made by or in respect of any person employed or formerly employed by Equans other than a Transferring Equans Employee for whom it is alleged the Supplier and/or any Notified Sub-contractor as appropriate may be liable by virtue of this Contract and/or the Employment Regulations; and
- (e) any claim made by or in respect of a Transferring Equans Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Equans Employee relating to any act or omission of Equans in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the Supplier or any Sub-contractor to comply with regulation 13(4) of the Employment Regulations.

2.3 The indemnities in Paragraph 2.2 shall not apply to the extent that the Employment Losses arise or are attributable to an act or omission of the Supplier or any Sub-contractor whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employment Losses:

- 2.3.1 arising out of the resignation of any Transferring Equans Employee before the Relevant Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Supplier or any Sub-contractor to occur in the period from (and including) the Relevant Transfer Date; or
- 2.3.2 arising from the failure by the Supplier and/or any Sub-contractor to comply with its obligations under the Employment Regulations.

2.4 If any person who is not identified as a Transferring Equans Employee claims, or it is determined in relation to any person who is not identified as a Transferring Equans Employee, that his/her contract of employment has been transferred from a Former Supplier to the Supplier and/or any Notified Sub-contractor pursuant to the Employment Regulations then:

- 2.4.1 the Supplier shall, or shall procure that the Notified Sub-contractor shall, within 5 Working Days of becoming aware of that fact, give notice in writing to the Authority and, where required by the Authority, to Equans; and
- 2.4.2 Equans may offer (or may procure that a third party may offer) employment to such person within 15 Working Days of the notification by the Supplier and/or the Notified Sub-contractor or take such other reasonable steps as Equans considers appropriate to deal with the matter provided always that such steps are in compliance with applicable Law.

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- 2.5 If an offer referred to in Paragraph 2.4.2 is accepted, or if the situation has otherwise been resolved by Equans and/or the Authority, the Supplier shall, or shall procure that the Notified Sub-contractor shall, immediately release the person from his/her employment or alleged employment.
- 2.6 If by the end of the 15 Working Day period specified in Paragraph 2.4.2:
- 2.6.1 no such offer of employment has been made;
 - 2.6.2 such offer has been made but not accepted; or
 - 2.6.3 the situation has not otherwise been resolved,
- the Supplier and/or any Notified Sub-contractor may within 5 Working Days give notice to terminate the employment or alleged employment of such person.
- 2.7 Subject to the Supplier and/or any Notified Sub-contractor acting in accordance with the provisions of Paragraphs 2.4 to 2.6 and in accordance with all applicable proper employment procedures set out in Law, the Authority shall procure that the Equans indemnifies the Supplier and/or any Notified Sub-contractor (as appropriate) against all Employment Losses arising out of the termination of employment pursuant to the provisions of Paragraph 2.6 provided that the Supplier takes, or shall procure that the Notified Sub-contractor takes, all reasonable steps to minimise any such Employment Losses.
- 2.8 The indemnity in Paragraph 2.7:
- 2.8.1 shall not apply to:
 - (a) any claim for:
 - 1. discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or
 - 2. equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,in any case in relation to any alleged act or omission of the Supplier and/or any Sub-contractor; or
 - (b) any claim that the termination of employment was unfair because the Supplier and/or Notified Sub-contractor neglected to follow a fair dismissal procedure; and
 - 2.8.2 shall apply only where the notification referred to in Paragraph 2.4.1 is made by the Supplier and/or any Notified Sub-contractor (as appropriate) to the Authority and, if applicable, Equans, within 6 months of the Relevant Transfer Date.
- 2.9 If any such person as is described in Paragraph 2.4 is neither re-employed by Equans nor dismissed by the Supplier and/or any Notified Sub-contractor within the time scales set out in Paragraph 2.6, such person shall be treated as having transferred to the Supplier or Notified Sub-contractor and the Supplier shall, or shall procure that the

Notified Sub-contractor shall, (a) comply with such obligations as may be imposed upon it under the Law and (b) comply with the provisions of Part D (*Pensions*) and its Annexes of this Staff Transfer Schedule.

Restore Indemnities

- 2.10 The Authority shall procure that Restore shall comply with all its obligations under the Employment Regulations and shall perform and discharge all its obligations in respect of all the Transferring Restore Employees in respect of the period up to (but not including) the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part in respect of the period up to (but not including) the Relevant Transfer Date) and the Supplier shall make, and the Authority shall procure that Restore makes, any necessary apportionments in respect of any periodic payments between Restore and the Supplier and/or any Notified Sub-contractor.
- 2.11 Subject to Paragraph 2.12, the Authority shall procure that Restore shall indemnify the Supplier and any Notified Sub-contractor against any Employment Losses arising from or as a result of:
- 2.11.1 any act or omission by Restore in respect of any Transferring Restore Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Restore Employee arising before the Relevant Transfer Date;
 - 2.11.2 the breach or non-observance by Restore arising before the Relevant Transfer Date of:
 - (a) any collective agreement applicable to the Transferring Restore Employees; and/or
 - (b) any custom or practice in respect of any Transferring Restore Employees which Restore is contractually bound to honour;
 - 2.11.3 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
 - (a) in relation to any Transferring Restore Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising before the Relevant Transfer Date; and
 - (b) in relation to any employee who is not a Transferring Restore Employee and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from Restore to the Supplier and/or any Notified Sub-contractor as appropriate, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations in respect of the period to (but excluding) the Relevant Transfer Date;

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- 2.11.4 a failure of Restore to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Restore Employees in respect of the period to (but excluding) the Relevant Transfer Date;
 - 2.11.5 any claim made by or in respect of any person employed or formerly employed by Restore other than a Transferring Restore Employee for whom it is alleged the Supplier and/or any Notified Sub-contractor as appropriate may be liable by virtue of this Contract and/or the Employment Regulations; and
 - 2.11.6 any claim made by or in respect of a Transferring Restore Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Restore Employee relating to any act or omission of Restore in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the Supplier or any Sub-contractor to comply with regulation 13(4) of the Employment Regulations.
- 2.12 The indemnities in Paragraph 2.11 shall not apply to the extent that the Employment Losses arise or are attributable to an act or omission of the Supplier or any Sub-contractor whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employment Losses:
- 2.12.1 arising out of the resignation of any Transferring Restore Employee before the Relevant Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Supplier or any Sub-contractor to occur in the period from (and including) the Relevant Transfer Date; or
 - 2.12.2 arising from the failure by the Supplier and/or any Sub-contractor to comply with its obligations under the Employment Regulations.
- 2.13 If any person who is not identified as a Transferring Restore Employee claims, or it is determined in relation to any person who is not identified as a Transferring Restore Employee, that his/her contract of employment has been transferred from Restore to the Supplier and/or any Notified Sub-contractor pursuant to the Employment Regulations then:
- 2.13.1 the Supplier shall, or shall procure that the Notified Sub-contractor shall, within 5 Working Days of becoming aware of that fact, give notice in writing to the Authority and, where required by the Authority, to Restore; and
 - 2.13.2 Restore may offer (or may procure that a third party may offer) employment to such person within 15 Working Days of the notification by the Supplier and/or the Notified Sub-contractor or take such other reasonable steps as the Former Supplier considers appropriate to deal with the matter provided always that such steps are in compliance with applicable Law.
- 2.14 If an offer referred to in Paragraph 2.13.2 is accepted, or if the situation has otherwise been resolved by the Former Supplier and/or the Authority, the Supplier shall, or shall procure that the Notified Sub-contractor shall, immediately release the person from his/her employment or alleged employment.
- 2.15 If by the end of the 15 Working Day period specified in Paragraph 2.13.2:

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- 2.15.1 no such offer of employment has been made;
- 2.15.2 such offer has been made but not accepted; or
- 2.15.3 the situation has not otherwise been resolved,

the Supplier and/or any Notified Sub-contractor may within 5 Working Days give notice to terminate the employment or alleged employment of such person.

- 2.16 Subject to the Supplier and/or any Notified Sub-contractor acting in accordance with the provisions of Paragraphs 2.13 to 2.15 and in accordance with all applicable proper employment procedures set out in Law, the Authority shall procure that Restore indemnifies the Supplier and/or any Notified Sub-contractor (as appropriate) against all Employment Losses arising out of the termination of employment pursuant to the provisions of Paragraph 2.15 provided that the Supplier takes, or shall procure that the Notified Sub-contractor takes, all reasonable steps to minimise any such Employment Losses.

- 2.17 The indemnity in Paragraph 2.16:

- 2.17.1 shall not apply to:

- (a) any claim for:

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

in any case in relation to any alleged act or omission of the Supplier and/or any Sub-contractor; or

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

- 2.17.2 shall apply only where the notification referred to in Paragraph 2.13.1 is made by the Supplier and/or any Notified Sub-contractor (as appropriate) to the Authority and, if applicable, Restore, within 6 months of the Relevant Transfer Date.

- 2.18 If any such person as is described in Paragraph 2.13 is neither re-employed by Restore nor dismissed by the Supplier and/or any Notified Sub-contractor within the time scales set out in Paragraph 2.15, such person shall be treated as having transferred to the Supplier or Notified Sub-contractor and the Supplier shall, or shall procure that the Notified Sub-contractor shall, (a) comply with such obligations as may be imposed upon it under the Law and (b) comply with the provisions of Part D (Pensions) and its Annexes of this Staff Transfer Schedule.

3. Supplier Indemnities and Obligations

- 3.1 Subject to Paragraph 3.2, the Supplier shall indemnify the Authority and/or the Former Supplier against any Employee Liabilities arising from or as a result of:
- 3.1.1 any act or omission by the Supplier or any Sub-contractor in respect of any Transferring Former Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Supplier Employee whether occurring before, on or after the Relevant Transfer Date;
 - 3.1.2 the breach or non-observance by the Supplier or any Sub-contractor on or after the Relevant Transfer Date of:
 - (a) any collective agreement applicable to the Transferring Former Supplier Employee; and/or
 - (b) any custom or practice in respect of any Transferring Former Supplier Employees which the Supplier or any Sub-contractor is contractually bound to honour;
 - 3.1.3 any claim by any trade union or other body or person representing any Transferring Former Supplier Employees arising from or connected with any failure by the Supplier or a Sub-contractor to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;
 - 3.1.4 any proposal by the Supplier or a Sub-contractor prior to the Relevant Transfer Date to make changes to the terms and conditions of employment or working conditions of any Transferring Former Supplier Employees to their material detriment on or after their transfer to the Supplier or a Sub-contractor (as the case may be) on the Relevant Transfer Date, or to change the terms and conditions of employment or working conditions of any person who would have been a Transferring Former Supplier Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Relevant Transfer Date as a result of or for a reason connected to such proposed changes;
 - 3.1.5 any statement communicated to or action undertaken by the Supplier or a Sub-contractor to, or in respect of, any Transferring Former Supplier Employee before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Authority and/or the Former Supplier in writing;
 - 3.1.6 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
 - (a) in relation to any Transferring Former Supplier Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date; and

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- (b) in relation to any employee who is not a Transferring Former Supplier Employee, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Former Supplier to the Supplier or a Sub-contractor, to the extent that the proceeding, claim or demand by the HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date;
- 3.1.7 a failure of the Supplier or any Sub-contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Former Supplier Employees in respect of the period from (and including) the Relevant Transfer Date;
- 3.1.8 any claim made by or in respect of a Transferring Former Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Supplier Employee relating to any act or omission of the Supplier or any Sub-contractor in relation to obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the Former Supplier's failure to comply with its obligations under regulation 13(4) of the Employment Regulations; and
- 3.1.9 a failure by the Supplier or any Sub-Contractor to comply with its obligations under Paragraph 2.9 above
- 3.2 The indemnities in Paragraph 3.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Former Supplier whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities arising from the Former Supplier's failure to comply with its obligations under the Employment Regulations.
- 3.3 The Supplier shall comply, and shall procure that each Sub-contractor shall comply, with all its obligations under the Employment Regulations (including without limitation its obligation to inform and consult in accordance with regulation 13 of the Employment Regulations) and shall perform and discharge, and shall procure that each Sub-contractor shall perform and discharge, all its obligations in respect of all the Transferring Former Supplier Employees, on and from the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions and any other sums due under the Admission Agreement which in any case are attributable in whole or in part to the period from (and including) the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between the Supplier and the Former Supplier.

4. Information

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

the Supplier and each Notified Sub-contractor to carry out their respective duties under regulation 13 of the Employment Regulations.

5. Principles of Good Employment Practice

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

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

5.1.2 Old Fair Deal; and/or

5.1.3 the New Fair Deal.

5.2 Any changes necessary to this Contract as a result of changes embodied to, or any replacement of any statement of practice, paper or other guidance that replaces any of the documentation referred to in Paragraph 5.1 shall be agreed in accordance with the Change Control Procedure.

6. Procurement Obligations

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

7. Pensions

7.1 The Supplier shall, and shall procure that each Sub-contractor shall, comply with:

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

7.1.2 Part D (and its Annexes) to this Staff Transfer Schedule.

Part C: No Transfer of Employees Expected at Commencement of Services

1. Not Used

Part D: Pensions

1. Definitions

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

“Actuary”	a Fellow of the Institute and Faculty of Actuaries;
“Best Value Direction”	the Best Value Authorities Staff Transfers (Pensions) Direction 2007 or the Welsh Authorities Staff Transfers (Pensions) Direction 2012 (as appropriate);
“Broadly Comparable”	<p>(a) in respect of a pension scheme, a status satisfying the condition that there are no identifiable employees who will suffer material detriment overall in terms of future accrual of pension benefits as assessed in accordance with Annex A of New Fair Deal and demonstrated by the issue by the Government Actuary’s Department of a broad comparability certificate; and/or</p> <p>(b) in respect of benefits provided for or in respect of a member under a pension scheme, benefits that are consistent with that pension scheme’s certificate of broad comparability issued by the Government Actuary’s Department,</p> <p>and “Broad Comparability” shall be construed accordingly;</p>
“CSPS”	the schemes as defined in Annex D1 to this Part D;
“Direction Letter/Determination”	has the meaning in Annex D2 to this Part D;
“Fair Deal Eligible Employees”	means each of the CSPS Eligible Employees (as defined in Annex D1 to this Part D), the NHSPS Eligible Employees (as defined in Annex D2 to this Part D) and/or the LGPS Eligible Employees (as defined in Annex D3 to this Part D) (as applicable) (and shall include any such employee who has been admitted to and/or remains eligible to join a Broadly Comparable pension scheme at the relevant time in accordance with Paragraph 10 or 11 of this Part D);
“Fair Deal Employees”	<p>any of:</p> <p>(a) Transferring Former Supplier Employees; and/or</p> <p>(b) employees who are not Transferring Former Supplier Employees but to whom the Employment Regulations apply on the Relevant Transfer Date to transfer their</p>

employment to the Supplier or a Sub-Contractor, and whose employment is not terminated in accordance with the provisions of Paragraph 2.5 of Part A or Part B;

- (c) where the Supplier or a Sub-contractor was the Former Supplier, the employees of the Supplier (or Sub-contractor);

who at the Relevant Transfer Date are or become entitled to New Fair Deal or Best Value Direction protection in respect of any of the Statutory Schemes or a Broadly Comparable pension scheme provided in accordance with Paragraph 10 of this Part D as notified by the Authority;

“Fund Actuary” a Fund Actuary as defined in Annex D3 to this Part D;

“LGPS” the scheme as defined in Annex D3 to this Part D;

“NHSPS” the schemes as defined in Annex D2 to this Part D; and

“New Fair Deal” the revised Fair Deal position set out in the HM Treasury guidance: *“Fair Deal for Staff Pensions: Staff Transfer from Central Government”* issued in October 2013 including:
any amendments to that document immediately prior to the Relevant Transfer Date; and

any similar pension protection in accordance with the subsequent Annex D1-D3 inclusive as notified to the Supplier by the Authority.

2. Participation

- 2.1 In respect of all or any Fair Deal Employees each of Annex D1: CSPS, Annex D2: NHSPS and/or Annex D3: LGPS shall apply, as appropriate.
- 2.2 The Supplier undertakes to do all such things and execute any documents (including any relevant Admission Agreement and/or Direction Letter/Determination, if necessary) as may be required to enable the Supplier to participate in the appropriate Statutory Scheme in respect of the Fair Deal Employees and shall bear its own costs in such regard.
- 2.3 The Supplier undertakes:
- 2.3.1 to pay to the Statutory Schemes all such amounts as are due under the relevant Admission Agreement and/or Direction Letter/Determination or otherwise and shall deduct and pay to the Statutory Schemes such employee contributions as are required; and
- 2.3.2 subject to Annex D3: LGPS to be fully responsible for all other costs, contributions, payments and other amounts relating to its participation in the Statutory Schemes, including for the avoidance of doubt any exit payments and the costs of providing any bond, indemnity or guarantee required in relation to

such participation.

- 2.4 Where the Supplier is the Former Supplier (or a Sub-contractor is a sub-contractor of the Former Supplier) and there is no Relevant Transfer of the Fair Deal Employees because they remain continuously employed by the Supplier (or Sub-contractor) at the Operational Service Commencement Date, this Part D and its Annexes shall be modified accordingly so that the Supplier (or Sub-contractor) shall comply with its requirements from the Operational Service Commencement Date or, where it previously provided a Broadly Comparable pension scheme, from the date it is able to close accrual of its Broadly Comparable pension scheme (following appropriate consultation and contractual changes as appropriate) if later. The Supplier (or Sub-contractor) shall make arrangements for a bulk transfer from its Broadly Comparable pension scheme to the relevant Statutory Scheme in accordance with the requirements of the previous contract with the Authority.

3. Provision of Information

- 3.1 The Supplier undertakes to the Authority:
- 3.1.1 to provide all information which the Authority may reasonably request concerning matters referred to in this Part D as expeditiously as possible;
 - 3.1.2 not to issue any announcements to any Fair Deal Employee prior to the Relevant Transfer Date concerning the matters stated in this Part D without the consent in writing of the Authority (such consent not to be unreasonably withheld or delayed); and
 - 3.1.3 retain such records as would be necessary to manage the pension aspects in relation to any current or former Fair Deal Eligible Employees arising on expiry or termination of this Contract.

4. Indemnities

- 4.1 The Supplier shall indemnify and keep indemnified the Authority, [NHS Pensions,] any Replacement Supplier and/or any Replacement Sub-contractor on demand from and against all and any Losses whatsoever suffered or incurred by it or them which:
- 4.1.1 arise out of or in connection with any liability towards all and any Fair Deal Employees in respect of service on or after the Relevant Transfer Date which arises from any breach by the Supplier of this Part D, and/or the CSPA Admission Agreement and/or the Direction Letter/Determination and/or the LGPS Admission Agreement;
 - 4.1.2 relate to the payment of benefits under and/or participation in a pension scheme (as defined in section 150(1) Finance Act 2004) provided by the Supplier or a Sub-contractor on and after the Relevant Transfer Date until the date of termination or expiry of this Contract, including the Statutory Schemes or any Broadly Comparable pension scheme provided in accordance with Paragraphs 10 or 11 of this Part D;
 - 4.1.3 relate to claims by Fair Deal Employees of the Supplier and/or of any Sub-contractor or by any trade unions, elected employee representatives or staff associations in respect of all or any such Fair Deal Employees which Losses:

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- (a) relate to any rights to benefits under a pension scheme (as defined in section 150(1) Finance Act 2004) in respect of periods of employment on and after the Relevant Transfer Date until the date of termination or expiry of this Contract;
 - (b) arise out of the failure of the Supplier and/or any relevant Sub-contractor to comply with the provisions of this Part D before the date of termination or expiry of this Contract; and/or
- 4.1.4 arise out of or in connection with the Supplier (or its Sub-contractor) allowing anyone who is not an NHSPS Fair Deal Employee to join or claim membership of the NHSPS at any time during the Term.
- 4.2 The indemnities in this Part D and its Annexes:
 - 4.2.1 shall survive termination of this Contract; and
 - 4.2.2 shall not be affected by the caps on liability contained in Clause 23 (*Limitations on Liability*).

5. Disputes

- 5.1 The Dispute Resolution Procedure will not apply to any dispute (i) between the Authority and/or the Supplier or (ii) between their respective actuaries and/or the Fund Actuary about any of the actuarial matters referred to in this Part D and its Annexes shall in the absence of agreement between the Authority and/or the Supplier be referred to an independent Actuary:
 - 5.1.1 who will act as an expert and not as an arbitrator;
 - 5.1.2 whose decision will be final and binding on the Authority and/or the Supplier; and
 - 5.1.3 whose expenses shall be borne equally by the Authority and/or the Supplier unless the independent Actuary shall otherwise direct.
- 5.2 The independent Actuary shall be agreed by the Parties or, failing such agreement the independent Actuary shall be appointed by the President for the time being of the Institute and Faculty of Actuaries on the application by the Parties.

6. Third Party Rights

- 6.1 The Parties agree Clause 41 (*Third Party Rights*) does not apply and that the CRTPA applies to this Part D to the extent necessary to ensure that any Fair Deal Employee will have the right to enforce any obligation in respect of to him or her by the Supplier under this Part D, in his or her or its own right under section 1(1) of the CRTPA.
- 6.2 Further, the Supplier must ensure that the CRTPA will apply to any Sub-contract to the extent necessary to ensure that any Fair Deal Employee will have the right to enforce any obligation owed to them by the Sub-contractor in his or her own right under section 1(1) of the CRTPA.

7. Breach

- 7.1 The Supplier agrees to notify the Authority should it breach any obligations it has under this Part D and agrees that the Authority shall be entitled to terminate its Contract for material Default in the event that the Supplier:

- 7.1.1 commits an irremediable breach of any provision or obligation it has under this Part D; or
- 7.1.2 commits a breach of any provision or obligation it has under this Part D which, where capable of remedy, it fails to remedy within a reasonable time and in any event within 28 days of the date of a notice from the Authority giving particulars of the breach and requiring the Supplier to remedy it.

8. Transfer to Another Employer/Sub-contractors

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

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

9. Pension Issues on Expiry or Termination

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

10. Broadly Comparable Pension Scheme on Relevant Transfer Date

- 10.1 If the terms of any of Annex D2: NHSPS or Annex D3: LGPS applies, the Supplier must (and must, where relevant, procure that each of its Sub-contractors will) ensure that, with

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effect from the Relevant Transfer Date until the day before the Service Transfer Date, the relevant Fair Deal Employees will be eligible for membership of a pension scheme under which the benefits are Broadly Comparable to those provided under the relevant Statutory Scheme, and then on such terms as may be decided by the Authority.

10.2 Such Broadly Comparable pension scheme must be:

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

10.3 Where the Supplier has provided a Broadly Comparable pension scheme pursuant to the provisions of this Paragraph 10, the Supplier shall (and shall procure that any of its Sub-contractors shall):

- 10.3.1 supply to the Authority details of its (or its Sub-contractor's) Broadly Comparable pension scheme and provide a full copy of the valid certificate of broad comparability (which remains valid as at the Relevant Transfer Date) covering all relevant Fair Deal Employees, as soon as it is able to do so before the Relevant Transfer Date (where possible) and in any event no later than seven (7) days after receipt of the certificate;
- 10.3.2 be fully responsible for all costs, contributions, payments and other amounts relating to the setting up, certification of, ongoing participation in and/or withdrawal and exit from the Broadly Comparable pension scheme, including for the avoidance of doubt any debts arising under section 75 or 75A of the Pensions Act 1995;
- 10.3.3 instruct any such Broadly Comparable pension scheme's Actuary to provide all such co-operation and assistance in agreeing bulk transfer process with the Actuary to the Former Supplier's Broadly Comparable pension scheme or the Actuary to the relevant Statutory Scheme (as appropriate) and to provide all such co-operation and assistance with any other Actuary appointed by the Authority (where applicable). This will be with a view to the bulk transfer terms providing day for day and/or pound for pound (as applicable) (or actuarially equivalent where there are benefit differences between the two schemes) credits in the Broadly Comparable pension scheme in respect of any Fair Deal Eligible Employee who consents to such a transfer; and
- 10.3.4 provide a replacement Broadly Comparable pension scheme in accordance with this Paragraph 10 with immediate effect for those Fair Deal Eligible Employees who are still employed by the Supplier and/or relevant Sub-contractor and are

still eligible for New Fair Deal protection in the event that the Supplier and/or Sub-contractor's Broadly Comparable pension scheme is closed to future accrual and/or terminated. The relevant Fair Deal Eligible Employees must be given the option to transfer their accrued benefits from the previous Broadly Comparable pension scheme to the new Broadly Comparable pension scheme on day for day and/or pound for pound terms (as applicable) (or actuarially equivalent where there are benefit differences between the two schemes).

10.4 Where the Supplier has provided a Broadly Comparable pension scheme pursuant to the provisions of this Paragraph 10, the Supplier shall (and shall procure that any of its Sub-contractors shall) prior to the termination of this Contract:

10.4.1 allow and make all necessary arrangements to effect, in respect of any Fair Deal Eligible Employee that remains eligible for New Fair Deal protection, following a Service Transfer, the bulk transfer of past service from any such Broadly Comparable pension scheme into the Replacement Supplier's Broadly Comparable pension scheme (or the relevant Statutory Scheme if applicable). The bulk transfer terms provided shall be on a past service reserve basis which should be calculated allowing for projected final salary at the assumed date of retirement, leaving service or death (in the case of final salary benefits). The actuarial basis for this past service reserve basis should be aligned to the funding requirements of the Broadly Comparable pension scheme in place at the time the bulk transfer terms are offered. The bulk transfer terms shall be subject to an underpin in relation to any service credits awarded in the Broadly Comparable pension scheme in accordance with Paragraph 10.3.3 such that the element of the past service reserve amount which relates to such service credits shall be no lower than that required by the bulk transfer terms that were agreed in accordance with Paragraph 10.3.3 but using the last day of the Fair Deal Eligible Employees' employment with the Supplier or Sub-contractor (as appropriate) as the date used to determine the actuarial assumptions; and

10.4.2 if the transfer payment paid by the trustees of the Broadly Comparable pension scheme is less (in the opinion of the Actuary to the Replacement Supplier's Broadly Comparable pension scheme (or to the relevant Statutory Scheme if applicable)) than the transfer payment which would have been paid had Paragraph 10.4.1 been complied with, the Supplier shall (or shall procure that the Sub-contractor shall) pay the amount of the difference to the Replacement Supplier's Broadly Comparable pension scheme (or relevant Statutory Scheme if applicable) or as the Authority shall otherwise direct. The Supplier shall indemnify the Authority or the Replacement Supplier's Broadly Comparable pension scheme (or the relevant Statutory Scheme if applicable) (as the Authority directs) for any failure to pay the difference as required under this Paragraph.

11. Broadly Comparable Pension Scheme in Other Circumstances

11.1 If the terms of any of Paragraphs 2.2 of Annex D1: CSPS Annex D2: NHSPS and/or Annex D3: LGPS apply, the Supplier must (and must, where relevant, procure that each of its Sub-contractors will) ensure that, with effect from the cessation of participation in the Statutory Scheme, until the day before the Service Transfer Date, the relevant Fair Deal Eligible Employees will be eligible for membership of a pension scheme under which the benefits are Broadly Comparable to those provided under the relevant Statutory

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Scheme at the date of cessation of participation in the relevant Statutory Scheme, and then on such terms as may be decided by the Authority.

11.2 Such Broadly Comparable pension scheme must be:

- 11.2.1 established by the date of cessation of participation in the Statutory Scheme;
- 11.2.2 a registered pension scheme for the purposes of Part 4 of the Finance Act 2004;
- 11.2.3 capable of receiving a bulk transfer payment from the relevant Statutory Scheme (where instructed to do so by the Authority);
- 11.2.4 capable of paying a bulk transfer payment to the Replacement Supplier's Broadly Comparable pension scheme (or the relevant Statutory Scheme if applicable) (unless otherwise instructed by the Authority); and
- 11.2.5 maintained until such bulk transfer payments have been received or paid (unless otherwise instructed by the Authority).

11.3 Where the Supplier has provided a Broadly Comparable pension scheme pursuant to the provisions of this Paragraph 11, the Supplier shall (and shall procure that any of its Sub-contractors shall):

- 11.3.1 supply to the Authority details of its (or its Sub-contractor's) Broadly Comparable pension scheme and provide a full copy of the valid certificate of broad comparability (which remains valid as at the date of cessation of participation in the Statutory Scheme) covering all relevant Fair Deal Eligible Employees, as soon as it is able to do so before the cessation of participation in the Statutory Scheme (where possible) and in any event no later than seven (7) days after receipt of the certificate;
- 11.3.2 be fully responsible for all costs, contributions, payments and other amounts relating to the setting up, certification of, ongoing participation in and/or withdrawal and exit from the Broadly Comparable pension scheme, including for the avoidance of doubt any debts arising under section 75 or 75A of the Pensions Act 1995; and
- 11.3.3 where required to do so by the Authority, instruct any such Broadly Comparable pension scheme's Actuary to provide all such co-operation and assistance in agreeing a bulk transfer process with the Actuary to the relevant Statutory Scheme and to provide all such co-operation and assistance with any other Actuary appointed by the Authority (where applicable). The Supplier must ensure that day for day and/or pound for pound (as applicable) (or actuarially equivalent where there are benefit differences between the two schemes) credits in the Broadly Comparable pension scheme are provided in respect of any Fair Deal Employee who consents to such a transfer from the Statutory Scheme and the Supplier shall be fully responsible for any costs of providing those credits in excess of the bulk transfer payment received by the Broadly Comparable pension scheme; and
- 11.3.4 provide a replacement Broadly Comparable pension scheme in accordance with this Paragraph 11 with immediate effect for those Fair Deal Eligible Employees who are still employed by the Supplier and/or relevant Sub-contractor and are

still eligible for New Fair Deal protection in the event that the Supplier and/or Sub-contractor's Broadly Comparable pension scheme is closed to future accrual and/or terminated. The relevant Fair Deal Eligible Employees must be given the option to transfer their accrued benefits from the previous Broadly Comparable pension scheme to the new Broadly Comparable pension scheme on day for day and/or pound for pound terms (as applicable) (or actuarially equivalent where there are benefit differences between the two schemes).

- 11.4 Where the Supplier has provided a Broadly Comparable pension scheme pursuant to the provisions of this Paragraph 11, the Supplier shall (and shall procure that any of its Sub-contractors shall) prior to the termination of this Contract allow and make all necessary arrangements to effect, in respect of any Fair Deal Eligible Employee that remains eligible for New Fair Deal protection, following a Service Transfer, the bulk transfer of past service from any such Broadly Comparable pension scheme into the Replacement Supplier's Broadly Comparable pension scheme (or relevant Statutory Scheme if applicable). The bulk transfer terms provided shall be sufficient to secure day for day and/or pound for pound credits (as applicable) (or actuarially equivalent where there are benefit differences between the two schemes) in the Replacement Supplier's Broadly Comparable pension scheme (or relevant Statutory Scheme if applicable). For the avoidance of doubt, should the amount offered by the Broadly Comparable pension scheme be less than the amount required by the Replacement Supplier's Broadly Comparable pension scheme (or the relevant Statutory Scheme if applicable) to fund the required credits ("the **Shortfall**"), the Supplier or the Sub-contractor (as agreed between them) must pay the Replacement Supplier's Broadly Comparable pension scheme (or relevant Statutory Scheme if applicable) the Shortfall as required, provided that in the absence of any agreement between the Supplier and any Sub-contractor, the Shortfall shall be paid by the Supplier. The Supplier shall indemnify the Authority or the Replacement Supplier's Broadly Comparable pension scheme (or the relevant Statutory Scheme if applicable) (as the Authority directs) for any failure to pay the Shortfall under this Paragraph.

12. Right of Set-Off

- 12.1 The Authority shall have a right to set off against any payments due to the Supplier under this Contract an amount equal to:
- 12.1.1 any unpaid employer's contributions or employee's contributions or any other financial obligations under the CSPA or any CSPA Admission Agreement in respect of the CSPA Eligible Employees whether due from the Supplier or from any relevant Sub-contractor or due from any third party under any indemnity, bond or guarantee;
 - 12.1.2 any unpaid employer's contributions or employee's contributions or any other financial obligations under the NHSPA or any Direction Letter/Determination in respect of the NHSPA Eligible Employees whether due from the Supplier or from any relevant Sub-contractor or due from any third party under any indemnity, bond or guarantee; or
 - 12.1.3 any unpaid employer's contributions or employee's contributions or any other financial obligations under the LGPS or any LGPS Admission Agreement in respect of the LGPS Eligible Employees whether due from the Supplier or from any relevant Sub-contractor or due from any third party under any indemnity, bond or guarantee;

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

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

Annex D1: CSPA

1. Definitions

- 1.1 In this Annex D1: CSPA to Part D: Pensions, the following words have the following meanings:

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

2. Future Service Benefits

- 2.1 In accordance with New Fair Deal, the Supplier and/or any of its Sub-contractors to which the employment of any CSPA Fair Deal Employee compulsorily transfers as a result of either the award of this Contract or a Relevant Transfer, if not an employer which participates automatically in the CSPA, shall each secure a CSPA Admission Agreement to ensure that CSPA Fair Deal Employees or CSPA Eligible Employees as appropriate shall be either admitted into, or offered continued membership of, the relevant section of the CSPA that they currently contribute to, or were eligible to join immediately prior to the Relevant Transfer Date or became eligible to join on the Relevant Transfer Date. The Supplier and/or any of its Sub-contractors shall procure that the CSPA Fair Deal Employees continue to accrue benefits in the CSPA in accordance with the provisions governing the relevant section of the CSPA for service from (and including) the Relevant Transfer Date.
- 2.2 If the Supplier and/or any of its Sub-contractors enters into a CSPA Admission Agreement in accordance with Paragraph 2.1 but the CSPA Admission Agreement is terminated during the term of this Contract for any reason at a time when the Supplier or Sub-contractor still employs any CSPA Eligible Employees, the Supplier shall (and procure

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that its Sub-contractors shall) at no extra cost to the Authority, offer the remaining CSPA Eligible Employees membership of a pension scheme which is Broadly Comparable to the CSPA on the date those CSPA Eligible Employees ceased to participate in the CSPA in accordance with the provisions of Paragraph 11 of Part D.

Annex D2: NHSPS

1. Not Used

Annex D3: LGPS

1. Not Used

Annex D4: Other Schemes

2. Not Used

Part E: Employment Exit Provisions

1. Pre-service Transfer Obligations

- 1.1 The Supplier agrees that within 20 Working Days of the earliest of:
 - 1.1.1 receipt of a notification from the Authority of a Service Transfer or intended Service Transfer;
 - 1.1.2 receipt of the giving of notice of early termination or any Partial Termination of this Contract; and
 - 1.1.3 the date which is 12 months before the end of the Term; or
 - 1.1.4 receipt of a written request of the Authority at any time (provided that the Authority shall only be entitled to make one such request in any 6 month period),it shall provide in a suitably anonymised format so as to comply with the DPA 2018, the Supplier's Provisional Supplier Personnel List, together with the Staffing Information and it shall provide an updated Supplier's Provisional Supplier Personnel List at such intervals as are reasonably requested by the Authority.
- 1.2 At least 20 Working Days prior to the Service Transfer Date, the Supplier shall provide to the Authority or at the direction of the Authority to any Replacement Supplier and/or any Replacement Sub-contractor:
 - 1.2.1 the Supplier's Final Supplier Personnel List, which shall identify which of the Supplier Personnel are Transferring Supplier Employees; and
 - 1.2.2 the Staffing Information in relation to the Supplier's Final Supplier Personnel List (insofar as such information has not previously been provided).
- 1.3 The Authority shall be permitted to use and disclose information provided by the Supplier under Paragraphs 1.1 and 1.2 for the purpose of informing any prospective Replacement Supplier and/or Replacement Sub-contractor.
- 1.4 The Supplier warrants, for the benefit of the Authority, any Replacement Supplier, and any Replacement Sub-contractor that all information provided pursuant to Paragraphs 1.1 and 1.2 shall be true and accurate in all material respects at the time of providing the information.
- 1.5 From the date of the earliest event referred to in Paragraph 1.1.1, 1.1.2 and 1.1.3, the Supplier agrees, that it shall not, and agrees to procure that each Sub-contractor shall not, assign any person to the provision of the Services who is not listed on the Supplier's Provisional Supplier Personnel List and shall not without the approval of the Authority (not to be unreasonably withheld or delayed):
 - 1.5.1 replace or re-deploy any Supplier Personnel listed on the Supplier Provisional Supplier Personnel List other than where any replacement is of equivalent grade, skills, experience and expertise and is employed on the same terms and conditions of employment as the person they replace;
 - 1.5.2 make, promise, propose, permit or implement any material changes to the terms and conditions of employment of the Supplier Personnel (including pensions and

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any payments connected with the termination of employment);

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

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

- 1.6 During the Term, the Supplier shall provide, and shall procure that each Sub-contractor shall provide, within 20 Working Days to the Authority any information the Authority may reasonably require relating to the manner in which the Services are organised, which shall include:
 - 1.6.1 the numbers of Supplier Personnel engaged in providing the Services;
 - 1.6.2 the percentage of time spent by each Supplier Personnel engaged in providing the Services;
 - 1.6.3 the extent to which each employee qualifies for membership of any of the Statutory Schemes or any Broadly Comparable scheme set up pursuant to the provisions of any of the Annexes to Part D (*Pensions*) of this Schedule 28 (*Staff Transfer*) (as appropriate); and
 - 1.6.4 a description of the nature of the work undertaken by each Supplier Personnel by location.
- 1.7 The Supplier shall provide, and shall procure that each Sub-contractor shall provide, all reasonable cooperation and assistance to the Authority, any Replacement Supplier and/or any Replacement Sub-contractor to ensure the smooth transfer of the Transferring Supplier Employees on the Service Transfer Date including providing sufficient information in advance of the Service Transfer Date to ensure that all necessary payroll arrangements can be made to enable the Transferring Supplier Employees to be paid as appropriate. Without prejudice to the generality of the foregoing, within 5 Working Days following the Service Transfer Date, the Supplier shall provide, and shall procure that each Sub-contractor shall provide, to the Authority or, at the direction of the Authority, to any Replacement Supplier and/or any Replacement Sub-contractor (as appropriate), in respect of each person on the Supplier's Final Supplier Personnel List who is a Transferring Supplier Employee:

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- 1.7.1 the most recent month's copy pay slip data;
- 1.7.2 details of cumulative pay for tax and pension purposes;
- 1.7.3 details of cumulative tax paid;
- 1.7.4 tax code;
- 1.7.5 details of any voluntary deductions from pay;
- 1.7.6 a copy of any personnel file and/or any other records regarding the service of the Transferring Supplier Employee;
- 1.7.7 a complete copy of the information required to meet the minimum recording keeping requirements under the Working Time Regulations 1998 and the National Minimum Wage Regulations 1998; and
- 1.7.8 bank/building society account details for payroll purposes.

1.8 From the date of the earliest event referred to in Paragraph 1.1.1, 1.1.2 and 1.1.3, the Supplier agrees that following within 20 Working Days of a request from the Authority it shall and shall procure that each Sub-contractor shall use reasonable endeavours to comply with any reasonable request to align and assign Supplier Personnel to any future delivery model proposed by the Authority for Replacement Services within 30 Working Days or such longer timescale as may be agreed.

1.9 Any changes necessary to this Contract as a result of alignment referred to in Paragraph 1.8 shall be agreed in accordance with the Change Control Procedure.

2. Employment Regulations Exit Provisions

2.1 The Authority and the Supplier acknowledge that subsequent to the commencement of the provision of the Services, the identity of the provider of the Services (or any part of the Services) may change (whether as a result of termination or Partial Termination of this Contract or otherwise) resulting in the Services being undertaken by a Replacement Supplier and/or a Replacement Sub-contractor. Such change in the identity of the supplier of such services may constitute a Relevant Transfer to which the Employment Regulations will apply. The Authority and the Supplier further agree that, as a result of the operation of the Employment Regulations, where a Relevant Transfer occurs, the contracts of employment between the Supplier and the Transferring Supplier Employees (except in relation to any contract terms disapplied through operation of regulation 10 of the Employment Regulations) will have effect on and from the Service Transfer Date as if originally made between the Replacement Supplier and/or a Replacement Sub-contractor (as the case may be) and each such Transferring Supplier Employee.

2.2 The Supplier shall, and shall procure that each Sub-contractor shall, comply with all its obligations under the Employment Regulations and in particular obligations in respect of the Transferring Supplier Employees arising under the Employment Regulations in respect of the period up to (but excluding) the Service Transfer Date and shall perform and discharge, and procure that each Sub-contractor shall perform and discharge, all its obligations in respect of any person identified in the Supplier's Final Supplier Personnel List all the Transferring Supplier Employees arising in respect of the period up to (and including but excluding) the Service Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken

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holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions and all such sums due as a result of any Fair Deal Employees' participation in the Statutory Schemes and any requirement to set up a broadly comparable pension scheme which in any case are attributable in whole or in part to the period ending on (and including but excluding) the Service Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between:

2.2.1 the Supplier and/or the Sub-contractor (as appropriate); and

2.2.2 the Replacement Supplier and/or Replacement Sub-contractor.

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

2.3.1 any act or omission of the Supplier or any Sub-contractor in respect of any Transferring Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Supplier Employee whether occurring before, on or after the Service Transfer Date;

2.3.2 the breach or non-observance by the Supplier or any Sub-contractor occurring before but excluding the Service Transfer Date of:

(a) any collective agreement applicable to the Transferring Supplier Employees; and/or

(b) any other custom or practice with a trade union or staff association in respect of any Transferring Supplier Employees which the Supplier or any Sub-contractor is contractually bound to honour;

2.3.3 any claim by any trade union or other body or person representing any Transferring Supplier Employees arising from or connected with any failure by the Supplier or a Sub-contractor to comply with any legal obligation to such trade union, body or person arising before but excluding the Service Transfer Date;

2.3.4 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:

(a) in relation to any Transferring Supplier Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising before but excluding the Service Transfer Date; and

(b) in relation to any employee who is not identified in the Supplier's Final Supplier Personnel List, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Supplier to the Authority and/or Replacement Supplier and/or any Replacement Sub-contractor, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising before but excluding the Service Transfer Date;

2.3.5 a failure of the Supplier or any Sub-contractor to discharge or procure the

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discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Supplier Employees in respect of the period up to (but excluding) the Service Transfer Date);

2.3.6 any claim made by or in respect of any person employed or formerly employed by the Supplier or any Sub-contractor other than a Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List for whom it is alleged the Authority and/or the Replacement Supplier and/or any Replacement Sub-contractor may be liable by virtue of this Contract and/or the Employment Regulations; and

2.3.7 any claim made by or in respect of a Transferring Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Supplier Employee relating to any act or omission of the Supplier or any Sub-contractor in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the Authority and/or Replacement Supplier to comply with regulation 13(4) of the Employment Regulations.

2.4 The indemnities in Paragraph 2.3 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Replacement Supplier and/or any Replacement Sub-contractor whether occurring or having its origin before, on or after the Service Transfer Date, including any Employee Liabilities:

2.4.1 arising out of the resignation of any Transferring Supplier Employee before the Service Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Replacement Supplier and/or any Replacement Sub-contractor to occur in the period on or after the Service Transfer Date); or

2.4.2 arising from the Replacement Supplier's failure, and/or Replacement Sub-contractor's failure, to comply with its obligations under the Employment Regulations.

2.5 If any person who is not identified in the Supplier's Final Supplier Personnel List claims, or it is determined in relation to any person who is not identified in the Supplier's Final Supplier Personnel List, that his/her contract of employment has been transferred from the Supplier or any Sub-contractor to the Replacement Supplier and/or Replacement Sub-contractor pursuant to the Employment Regulations, then:

2.5.1 the Authority shall procure that the Replacement Supplier shall, or any Replacement Sub-contractor shall, within 5 Working Days of becoming aware of that fact, give notice in writing to the Supplier; and

2.5.2 the Supplier may offer (or may procure that a Sub-contractor may offer) employment to such person within 15 Working Days of the notification by the Replacement Supplier and/or any and/or Replacement Sub-contractor or take such other reasonable steps as it considers appropriate to deal with the matter provided always that such steps are in compliance with Law.

2.6 If such offer is accepted, or if the situation has otherwise been resolved by the Supplier or a Sub-contractor, the Authority shall procure that the Replacement Supplier shall, or

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procure that the Replacement Sub-contractor shall, immediately release or procure the release of the person from his/her employment or alleged employment.

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

2.7.1 no such offer of employment has been made;

2.7.2 such offer has been made but not accepted; or

2.7.3 the situation has not otherwise been resolved

the Authority shall advise the Replacement Supplier and/or Replacement Sub-contractor, as appropriate that it may within 5 Working Days give notice to terminate the employment or alleged employment of such person.

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

2.9 The indemnity in Paragraph 2.8:

2.9.1 shall not apply to:

(a) any claim for:

(i) discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or

(ii) equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,

in any case in relation to any alleged act or omission of the Replacement Supplier and/or Replacement Sub-contractor; or

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

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

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

2.11 The Supplier shall, and shall procure that each Sub-contractor shall, promptly provide to the Authority and any Replacement Supplier and/or Replacement Sub-contractor, in

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

2.12 Subject to Paragraph 2.13, the Authority shall procure that the Replacement Supplier indemnifies the Supplier on its own behalf and on behalf of any Replacement Sub-contractor and its sub-contractors against any Employee Liabilities arising from or as a result of:

- 2.12.1 any act or omission of the Replacement Supplier and/or Replacement Sub-contractor in respect of any Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List or any appropriate employee representative (as defined in the Employment Regulations) of any such Transferring Supplier Employee;
- 2.12.2 the breach or non-observance by the Replacement Supplier and/or Replacement Sub-contractor on or after the Service Transfer Date of:
 - (a) any collective agreement applicable to the Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List; and/or
 - (b) any custom or practice in respect of any Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List which the Replacement Supplier and/or Replacement Sub-contractor is contractually bound to honour;
- 2.12.3 any claim by any trade union or other body or person representing any Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List arising from or connected with any failure by the Replacement Supplier and/or Replacement Sub-contractor to comply with any legal obligation to such trade union, body or person arising on or after the Service Transfer Date;
- 2.12.4 any proposal by the Replacement Supplier and/or Replacement Sub-contractor to change the terms and conditions of employment or working conditions of any Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List on or after their transfer to the Replacement Supplier or Replacement Sub-contractor (as the case may be) on the Service Transfer Date, or to change the terms and conditions of employment or working conditions of any person identified in the Supplier's Final Supplier Personnel List who would have been a Transferring Supplier Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Service Transfer Date as a result of or for a reason connected to such proposed changes;
- 2.12.5 any statement communicated to or action undertaken by the Replacement Supplier or Replacement Sub-contractor to, or in respect of, any Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List on

or before the Service Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Supplier in writing;

2.12.6 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:

(a) in relation to any Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on and after the Service Transfer Date; and

(b) in relation to any employee who is not a Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Supplier or Sub-contractor, to the Replacement Supplier or Replacement Sub-contractor to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on and after the Service Transfer Date;

2.12.7 a failure of the Replacement Supplier or Replacement Sub-contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List in respect of the period from (and including) the Service Transfer Date; and

2.12.8 any claim made by or in respect of a Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List or any appropriate employee representative (as defined in the Employment Regulations) of any such Transferring Supplier Employee relating to any act or omission of the Replacement Supplier or Replacement Sub-contractor in relation to obligations under regulation 13 of the Employment Regulations.

2.13 The indemnities in Paragraph 2.12 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Supplier and/or any Sub-contractor (as applicable) whether occurring or having its origin before, on or after the Service Transfer Date, including any Employee Liabilities arising from the failure by the Supplier and/or any Sub-contractor (as applicable) to comply with its obligations under the Employment Regulations.

Annex E1: List of Notified Sub-contractors

Annex E2: Staffing Information

Employee Information (Anonymised)

Name of Transferor:

Number of Employees in-scope to transfer:

1. Completion notes

- 1.1 If you have any Key Sub-contractors, please complete all the above information for any staff employed by such Key Sub-contractor(s) in a separate spreadsheet.
- 1.2 This spreadsheet is used to collect information from the current employer (transferor) about employees performing the relevant services to help plan for a potential TUPE transfer. Some or all of this information may be disclosed to bidders as part of a procurement process. The information should not reveal the employees' identities.
- 1.3 If the information cannot be included on this form, attach the additional information, such as relevant policies, and cross reference to the item number and employee number where appropriate.

2. All information should be included on Annex 1 to the Master Contract Document “MCD”.

Schedule 29

Key Personnel

Schedule 29: Key Personnel

Supplier Personnel

The key roles (“**Key Roles**”) and names of the persons who the Supplier shall appoint to fill those Key Roles at the Operational Service Commencement Date (“**Key Personnel**”).

Key Role	Name of Key Personnel	Responsibilities/ Authorities	Phase of the project during which they will be a member of Key Personnel	Minimum Period in Key Role
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

Authority Personnel

More than one Authority personnel fulfils the responsibilities of the Authority Representative under this Contract, depending on levels of internal delegated authority. See Authority Representative Table below.

Key Role	Name of Key Personnel	Authorised Up to a maximum of	Contact Details
Authority Representative	[Redacted]	[Redacted]	[Redacted]
Associate Commercial Specialist	[Redacted]	[Redacted]	[Redacted]
Commercial Lead	[Redacted]	[Redacted]	[Redacted]
Commercial Practitioner	[Redacted]	[Redacted]	[Redacted]
Commercial Contract Manager	[Redacted]	[Redacted]	[Redacted]
Operational Contract Senior Escalation	[Redacted]	[Redacted]	[Redacted]
Operational Contract Escalation	[Redacted]	[Redacted]	[Redacted]
Operational Contract Lead	[Redacted]	[Redacted]	[Redacted]
Operational Contract Manager	[Redacted]	[Redacted]	[Redacted]

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Key Role	Name of Key Personnel	Authorised Up to a maximum of	Contact Details
Operational Contract Manager	[Redacted]	[Redacted]	[Redacted]

Schedule 30

Deed of Guarantee

Schedule 30: Deed of Guarantee

[insert the name of the Guarantor]

- and -

[insert the name of the Beneficiary]

DEED OF GUARANTEE

THIS DEED is executed as a deed and dated [insert date of execution] (the “**Deed**”)

BETWEEN:

- (1) [insert NAME OF THE GUARANTOR] [a company incorporated in [England and Wales] under registered number [insert registered number] whose registered office is at [insert registered office]] [OR] [a company incorporated under the laws of [insert country], registered in [insert country] with number [insert number] at [insert place of registration], whose principal office is at [insert office details] (the “**Guarantor**”); and
- (1) [insert NAME OF THE AUTHORITY], [acting on behalf of the Crown] of [insert the Authority’s address] (the “**Authority**”).

together the “**Parties**” and each a “**Party**”.

BACKGROUND:

- (A) The Authority [has awarded] a contract dated [insert date] to [insert details of the Supplier] (the “**Supplier**”) for the provision of [insert details of goods or services to be provided] (the “**Guaranteed Agreement**”).
- (B) It is a condition of the Authority entering into the Guaranteed Agreement that the Supplier procures the execution and delivery to the Authority of a parent company guarantee substantially in the form of this Deed.
- (C) The Guarantor has agreed to guarantee the due performance of the Guaranteed Agreement.

IT IS AGREED as follows:

1. Definitions and Interpretation

Definitions

- 1.1 The **following** definitions apply in this Deed:

“**Business Day**” means a day, other than a Saturday, Sunday or public holiday in England, when banks in London are open for business;

“Control”	means the power of a person to secure that the affairs of a body corporate are conducted in accordance with the wishes of that person: <ul style="list-style-type: none">(d) by means of the holding of shares or the possession of voting power in relation to that body or any other body corporate; or(e) as a result of any powers conferred by the constitutional or corporate documents, or any other document regulating that body or any other body corporate;
“Guaranteed Agreement”	has the meaning given to it in Recital 0;
“Guaranteed Obligations”	has the meaning given to it in Clause 2.1.1;
“Supplier”	has the meaning given to it in Recital (A);
“VAT”	means value added tax or any equivalent tax chargeable in the UK or elsewhere.

Interpretation

- 1.2 Unless otherwise stated, any reference in this Deed to:
- 1.2.1 the “Guarantor”, the “Authority”, the “Supplier” or any other person shall be construed so as to include their successors in title, permitted assigns and permitted transferees, whether direct or indirect;
 - 1.2.2 “assets” includes present and future properties, revenues and rights of every description;
 - 1.2.3 this “Deed”, or any other agreement or instrument is a reference to, this deed or other agreement or instrument as amended, novated, supplemented, extended or restated;
 - 1.2.4 “indebtedness” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - 1.2.5 a “person” includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
 - 1.2.6 the words “including”, “includes”, “in particular”, “for example” or similar shall be construed as illustrative and without limitation to the generality of the related general words; and
 - 1.2.7 a time of day is a reference to London time.

2. Guarantee and Indemnity

2.1 The Guarantor:

- 2.1.1 guarantees to the Authority the due and punctual performance of all of the Supplier's present and future obligations under and in connection with the Guaranteed Agreement if and when they become due and performable in accordance with the terms of the Guaranteed Agreement (the "**Guaranteed Obligations**");
- 2.1.2 shall pay to the Authority from time to time on demand all monies (together with interest on such sum accrued before and after the date of demand until the date of payment) that have become payable by the Supplier to the Authority under or in connection with the Guaranteed Agreement but which has not been paid at the time the demand is made; and
- 2.1.3 shall, if the Supplier fails to perform in full and on time any of the Guaranteed Obligations and upon written notice from the Authority, immediately on demand perform or procure performance of the same at the Guarantor's own expense.

2.2 The Guarantor, as principal obligor and as a separate and independent obligation and liability from its obligations and liabilities under Clause 2.1, shall indemnify and keep indemnified the Authority in full and on demand from and against all and any losses, damages, costs and expenses suffered or incurred by the Authority arising out of, or in connection with:

- 2.2.1 any failure by the Supplier to perform or discharge the Guaranteed Obligations; or
- 2.2.2 any of the Guaranteed Obligations being or becoming wholly or partially unenforceable for any reason,
- 2.2.3 provided that the Guarantor's liability under this Clause 2.2 shall be no greater than the Supplier's liability under the Guaranteed Agreement was (or would have been had the relevant Guaranteed Obligation been fully enforceable).

3. Authority Protections

Continuing Guarantee

- 3.1 This Deed is, and shall at all times be, a continuing and irrevocable security until the Guaranteed Obligations have been satisfied or performed in full, and is in addition to and not in substitution for and shall not merge with any other right, remedy, guarantee or security which the Authority may at any time hold for the performance of the Guaranteed Obligations and may be enforced without first having recourse to any such security.

Preservation of the Guarantor's liability

- 3.2 The Guarantor's liability under this Deed shall not be reduced, discharged or otherwise adversely affected by:
 - 3.2.1 any arrangement made between the Supplier and the Authority;
 - 3.2.2 any partial performance (except to the extent of such partial performance) by

the Supplier of the Guaranteed Obligations;

- 3.2.3 any alteration in the obligations undertaken by the Supplier whether by way of any variation referred to in Clause 4 or otherwise;
- 3.2.4 any waiver or forbearance by the Authority whether as to payment, time, performance or otherwise;
- 3.2.5 the taking, variation, renewal or release of, the enforcement or neglect to perfect or enforce any right, guarantee, remedy or security from or against the Supplier or any other person;
- 3.2.6 any unenforceability, illegality or invalidity of any of the provisions of the Guaranteed Agreement or any of the Supplier's obligations under the Guaranteed Agreement, so that this Deed shall be construed as if there were no such unenforceability, illegality or invalidity;
- 3.2.7 any dissolution, amalgamation, reconstruction, reorganisation, change in status, function, Control or ownership, insolvency, liquidation, administration, voluntary arrangement, or appointment of a receiver, of the Supplier or any other person.

Immediate demand

- 3.3 The Guarantor waives any right it may have to require the Authority to proceed against, enforce any other right or claim for payment against, or take any other action against, the Supplier or any other person before claiming from the Guarantor under this Guarantee.

Deferral of rights

- 3.4 Until all amounts which may be or become payable under the Guaranteed Agreement or this Deed have been irrevocably paid in full, the Guarantor shall not, as a result of this Deed or any payment performance under this Deed:
 - 3.4.1 be subrogated to any right or security of the Authority;
 - 3.4.2 claim or prove in competition with the Authority against the Supplier or any other person;
 - 3.4.3 demand or accept repayment in whole or in part of any indebtedness due from the Supplier;
 - 3.4.4 take the benefit of, share in or enforce any security or other guarantee or indemnity against the Supplier; or
 - 3.4.5 claim any right of contribution, set-off or indemnity from the Supplier,without the prior written consent of the Authority (and in such case only in accordance with any written instructions of the Authority).
- 3.5 If the Guarantor receives any payment or other benefit in breach of Clause 3.4, or as a result of any action taken in accordance with a written instruction of the Authority given pursuant to Clause 3.4, such payment or other benefit, and any benefit derived directly or indirectly by the Guarantor therefrom, shall be held by the Guarantor on trust for the Authority applied towards the discharge of the Guarantor's obligations to the Authority

under this Deed.

4. Variation of the Guaranteed Agreement

- 4.1 The Guarantor confirms that it intends that this Deed shall extend and apply from time to time to any variation, increase, extension or addition of the Guaranteed Agreement, however, fundamental, and any associated fees, costs and/or expenses.

5. Payment and Costs

- 5.1 All sums payable by the Guarantor under this Deed shall be paid in full to the Authority in pounds sterling:

5.1.1 without any set-off, condition or counterclaim whatsoever; and

5.1.2 free and clear of any deductions or withholdings whatsoever except as may be required by applicable law which is binding on the Guarantor.

- 5.2 If any deduction or withholding is required by any applicable law to be made by the Guarantor:

5.2.1 the amount of the payment due from the Guarantor shall be increased to an amount which (after making any deduction or withholding) leaves an amount equal to the payment which would have been due if no deduction or withholding had been required; and

5.2.2 the Guarantor shall promptly deliver to the Authority all receipts issued to it evidencing each deduction or withholding which it has made.

- 5.3 The Guarantor shall not and may not direct the application by the Authority of any sums received by the Authority from the Guarantor under any of the terms in this Deed.

- 5.4 The Guarantor shall pay interest on any amount due under this Deed at the applicable rate under the Late Payment of Commercial Debts (Interest) Act 1998, accruing on a daily basis from the due date up to the date of actual payment, whether before or after judgment.

- 5.5 The Guarantor shall, on a full indemnity basis, pay to the Authority on demand the amount of all costs and expenses (including legal and out-of-pocket expenses and any VAT on those costs and expenses) which the Authority incurs in connection with:

5.5.1 the preservation, or exercise and enforcement, of any rights under or in connection with this Deed or any attempt to do so; and

5.5.2 any discharge or release of this Deed.

6. Conditional Discharge

- 6.1 Any release, discharge or settlement between the Guarantor and the Authority in relation to this Deed shall be conditional on no right, security, disposition or payment to the Authority by the Guarantor, the Supplier or any other person being avoided, set aside or ordered to be refunded pursuant to any enactment or law relating to breach of duty by any person, bankruptcy, liquidation, administration, protection from creditors generally or insolvency for any other reason.

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- 6.2 If any such right, security, disposition or payment as referred to in Clause 6.1 is avoided, set aside or ordered to be refunded, the Authority shall be entitled subsequently to enforce this Deed against the Guarantor as if such release, discharge or settlement had not occurred and any such security, disposition or payment has not been made.

7. Representations and Warranties

- 7.1 The Guarantor represents and warrants to the Authority that:

- 7.1.1 it is duly incorporated with limited liability and is a validly existing company under the laws of its place of incorporation, has the capacity to sue or be sued in its own name, and has power to carry on its business as now being conducted and to own its property and other assets;
- 7.1.2 it has full power under its constitution or equivalent constitutional documents in the jurisdiction in which it is established to enter into this Deed;
- 7.1.3 it has full power to perform the obligations expressed to be assumed by it or contemplated by this Deed;
- 7.1.4 it has been duly authorised to enter into this Deed;
- 7.1.5 it has taken all necessary corporate action to authorise the execution, delivery and performance of this Deed;
- 7.1.6 this Deed when executed and delivered will constitute a legally binding obligation on it enforceable in accordance with its terms;
- 7.1.7 all necessary consents and authorisations for the giving and implementation of this Deed have been obtained;
- 7.1.8 that its entry into and performance of its obligations under this Deed will not constitute any breach of or default under any contractual, government or public obligation binding on it; and
- 7.1.9 that it is not engaged in any litigation or arbitration proceedings that might affect its capacity or ability to perform its obligations under this Deed and to the best of its knowledge no such legal or arbitration proceedings have been threatened or are pending against it.

8. Assignment

- 8.1 The Authority shall be entitled by notice in writing to the Guarantor to assign the benefit of this Deed at any time to any person without the consent of the Guarantor being required and any such assignment shall not release the Guarantor from liability under this Deed.
- 8.2 The Guarantor may not assign or transfer any of its rights and/or obligations under this Deed without the prior written consent of the Authority.

9. Variation

- 9.1 No variation of this Deed shall be effective unless it is in writing and signed by the parties.

10. Demands and Notices

- 10.1 Any demand or notice served by the Authority on the Guarantor under this Deed shall be in writing, addressed to:
- 10.1.1 For the Attention of **[insert details]**
- 10.1.2 [Address of the Guarantor in England and Wales]
- 10.2 or such other address in England and Wales as the Guarantor has from time to time notified to the Authority in writing in accordance with the terms of this Deed as being an address or facsimile number for the receipt of such demands or notices.
- 10.3 Any notice or demand served on the Guarantor or the Authority under this Deed shall be deemed to have been served:
- 10.3.1 if delivered by hand, at the time of delivery; or
- 10.3.2 if posted, at 10.00 a.m. on the second Business Day after it was put into the post.
- 10.4 In proving service of a notice or demand on the Guarantor it shall be sufficient to prove that delivery was made, or that the envelope containing the notice or demand was properly addressed and posted as a prepaid first class recorded delivery letter.
- 10.5 Any notice purported to be served on the Authority under this Deed shall only be valid when received in writing by the Authority.

11. Entire Agreement

- 11.1 This Deed constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
- 11.2 The Guarantor acknowledges that it has not entered into this Deed in reliance upon, nor has it been induced to enter into this Deed by, any representation, warranty or undertaking made by or on behalf of the Authority (whether express or implied and whether pursuant to statute or otherwise) which is not set out in this Deed.

12. Waiver

- 12.1 No failure or delay by the Authority to exercise any right or remedy provided under this Deed or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.
- 12.2 Any waiver by the Authority of any terms of this Deed, or of any Guaranteed Obligations, shall only be effective if given in writing and then only for the purpose and upon the terms and conditions, if any, on which it is given.

13. Severance

- 13.1 If any provision or part-provision of this Deed is or becomes invalid, illegal or unenforceable for any reason, such provision or part-provision shall be deemed deleted,

but that shall not affect the validity and enforceability of the rest of this Deed.

14. Third Party Rights

- 14.1 A person who is not a Party to this Deed shall have no right under the Contracts (Rights of Third Parties) Act 1999 (as amended, updated or replaced from time to time) to enforce any of its terms but this does not affect any third party right which exists or is available independently of that Act.

15. Governing Law and Jurisdiction

- 15.1 This Deed and any issues, disputes or claims (whether contractual or non-contractual) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of England and Wales.
- 15.2 The Guarantor irrevocably agrees for the benefit of the Authority that the courts of England shall have jurisdiction to settle any dispute or claim (whether contractual or non-contractual) that arises out of or in connection with this Deed or its subject matter or formation.
- 15.3 Nothing contained in Clause 15.2 shall limit the rights of the Authority to take proceedings against the Guarantor in any other court of competent jurisdiction, nor shall the taking of any such proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not (unless precluded by applicable law).
- 15.4 The Guarantor irrevocably waives any objection which it may have now or in the future to the courts of England being nominated for the purpose of this Clause on the ground of venue or otherwise and agrees not to claim that any such court is not a convenient or appropriate forum.
- 15.5 The Guarantor irrevocably appoints [insert name of agent] of [insert address of agent] as its agent to receive on its behalf in England or Wales service of any proceedings under this Clause 15. Such service shall be deemed completed on delivery to such agent (whether or not it is forwarded to and received by the Guarantor) and shall be valid until such time as the Authority has received prior written notice that such agent has ceased to act as agent. If for any reason such agent ceases to be able to act as agent or no longer has an address in England or Wales, the Guarantor shall appoint a substitute acceptable to the Authority and deliver to the Authority the new agent's name and address within England and Wales.

Executed as a deed by **[insert the name of the Guarantor]** acting by **[insert name of Director]** a director, in the presence of a witness:

.....
[Signature of Witness]

.....
[Signature of Director]

Name of Director:

.....

Name of Witness:

.....

Address of Witness:

.....

.....

Occupation of Witness:

.....

Schedule 31

Processing Personal Data

Schedule 31: Processing Personal Data

1. Data Processing

- 1.1 This Schedule shall be completed by the Controller, who may take account of the view of the Processor, however the final decision as to the content of this Schedule shall be with the Authority at its absolute discretion.
- 1.2 The contact details of the Authority's Data Protection Officer are: [Redacted]
- 1.3 The contact details of the Supplier's Data Protection Officer are: [Redacted]
- 1.4 The Processor shall comply with any further written instructions with respect to processing by the Controller.
- 1.5 Any such further instructions shall be incorporated into this Schedule.

Description	Details
Identity of Controller for each Category of Personal Data	The Authority is Controller and the Supplier is Processor The Parties acknowledge that in accordance with Clause 21.2 to 21.15 and for the purposes of the Data Protection Legislation, the Authority is the Controller and the Supplier is the Processor of the Personal Data described below:
Subject matter of the Processing	The processing is required in order to ensure that the Supplier can effectively deliver the Contract to provide mail opening, sorting, indexing, digitalisation and accurate storage of all the Authority inbound citizen correspondence. This includes all claims to benefit that the Department for Work and Pensions, and the Department for Communities Northern Ireland, administer.
Duration of the processing	Processing of data will be required from the Effective Date until the end of the Term and any Termination Assistance Period
Nature and purposes of the processing	<p>The Supplier will process Personal Data for the purposes of providing the Services in accordance with the Contract</p> <p>The nature of the processing will include data collection, recording, organisation, structuring, storage, disclosure by transmission to the Authority System, erasure or destruction of data (both digitally and physically).</p> <p>The purpose of processing is to convert inbound correspondence from citizens into digital images such that the Authority can provide social services to those citizens.</p>
Type of Personal Data being processed	Data being processed will be any and all information being received by the Authority relating to citizens and metadata added to the RM System, including amendments. Such information would include:

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Description	Details
	<ul style="list-style-type: none">• Correspondence from citizens including handwritten documentation and completed claims to DWP administered benefits• HR personnel files (containing special categories of personal data)• Citizen information files• Corporate files• Boxes of records and Items• Files & documents• Paper & forms• Legal documentation• Evidence documentation• Identity documentation• Microfilm• X-Rays <p>Information relating to staff records. Such information would include:</p> <ul style="list-style-type: none">• DWP staff names• locations• work email addresses <p>Citizen data will include name, address, date of birth, National Insurance number, telephone number, pay details, images,</p>
Categories of Data Subject	Members of the public, Staff (including volunteers, agents, and temporary workers)
Plan for return and destruction of the data once the processing is complete (UNLESS requirement under law to preserve that type of data)	Data will be retained in line with Government retention policies, upon completion of processing all data will be returned to the Authority and the Supplier shall securely destroy and/or delete any data held by the Supplier in accordance with the Exit Plan as detailed within paragraph 5 of Schedule 25: Exit Management (Schedule 25: Exit Management).
Locations at which the Supplier and/or its Sub-contractors process Personal Data under this Contract and international transfers and legal gateway	Personal Data may only be processed within the UK. The Supplier will access data within it's MOU facility and the Records Management facility (if they are separate facilities). Digital Mailroom data will be provided to the Authority via SFT. Connection to Authority Systems is not 2-way. The Supplier will have access to deposit a file or files onto a designated landing point, the Authority will undertake a sweep of the location and issue an acknowledgement of receipt. The supplier cannot see or interrogate deposited data.
Protective Measures that the Supplier and, where applicable, its Sub-contractors have implemented to protect Personal Data processed under this Contract Agreement against a	Protective measures required for data are as detailed within Schedule 5 (Security Management)

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Description	Details
breach of security (insofar as that breach of security relates to data) or a Data Loss Event	

Annex 1: Joint Controller Agreement

1. Joint Controller Status and Allocation of Responsibilities

- 1.1 With respect to Personal Data under Joint Control of the Parties, the Parties envisage that they shall each be a Data Controller in respect of that Personal Data in accordance with the terms of this Annex 1 (*Joint Controller Agreement*) in replacement of Clause 21.2-21.15 (*Where one Party is Controller and the other Party is Processor*) and 21.17-24.28 (*Independent Controllers of Personal Data*). Accordingly, the Parties each undertake to comply with the applicable Data Protection Legislation in respect of their Processing of such Personal Data as Data Controllers.
- 1.2 The Parties agree that the Authority:
- 1.2.1 is the exclusive point of contact for Data Subjects and is responsible for all steps necessary to comply with the UK GDPR regarding the exercise by Data Subjects of their rights under the UK GDPR;
 - 1.2.2 shall direct Data Subjects to its Data Protection Officer or suitable alternative in connection with the exercise of their rights as Data Subjects and for any enquiries concerning their Personal Data or privacy;
 - 1.2.3 is solely responsible for the Parties' compliance with all duties to provide information to Data Subjects under Articles 13 and 14 of the UK GDPR;
 - 1.2.4 is responsible for obtaining the informed consent of Data Subjects, in accordance with the UK GDPR, for Processing in connection with the Services where consent is the relevant legal basis for that Processing; and
 - 1.2.5 shall make available to Data Subjects the essence of this Joint Controller Agreement (and notify them of any changes to it) concerning the allocation of responsibilities as Joint Controller and its role as exclusive point of contact, the Parties having used their best endeavours to agree the terms of that essence. This must be outlined in the Authority's privacy policy (which must be readily available by hyperlink or otherwise on all of its public facing services and marketing).
- 1.3 Notwithstanding the terms of Paragraph 1.2, the Parties acknowledge that a Data Subject has the right to exercise their legal rights under the Data Protection Legislation as against the relevant Party as Data Controller.

2. Undertakings of Both Parties

- 2.1 The Supplier and the Authority each undertake that they shall:
- 2.1.1 report to the other Party every 6 months on:
 - (a) the volume of Data Subject Access Requests (or purported Data Subject Access Requests) from Data Subjects (or third parties on their behalf);
 - (b) the volume of requests from Data Subjects (or third parties on their behalf) to rectify, block or erase any Personal Data;
 - (c) any other requests, complaints or communications from Data Subjects (or third parties on their behalf) relating to the other Party's obligations

under applicable Data Protection Legislation;

- (d) any communications from the Information Commissioner or any other regulatory authority in connection with Personal Data; and
- (e) any requests from any third party for disclosure of Personal Data where compliance with such request is required or purported to be required by Law;

that it has received in relation to the subject matter of the Contract during that period;

- 2.1.2 notify each other immediately if it receives any request, complaint or communication made as referred to in Paragraphs 2.1.1(a) – (e); and
- 2.1.3 provide the other Party with full cooperation and assistance in relation to any request, complaint or communication made as referred to in Paragraphs 1.2 and 2.1.11.5(c) to (e) to enable the other Party to comply with the relevant timescales set out in the Data Protection Legislation.
- 2.1.4 not disclose or transfer the Personal Data to any third party unless necessary for the provision of the Services and, for any disclosure or transfer of Personal Data to any third party, (save where such disclosure or transfer is specifically authorised under this Contract or is required by Law) that disclosure or transfer of Personal Data is otherwise considered to be lawful processing of that Personal Data in accordance with Article 6 of the UK GDPR or EU GDPR (as the context requires). For the avoidance of doubt to which Personal Data is transferred must be subject to equivalent obligations which are no less onerous than those set out in this Annex.
- 2.1.5 request from the Data Subject only the minimum information necessary to provide the Services and treat such extracted information as Confidential Information.
- 2.1.6 ensure that at all times it has in place appropriate Protective Measures to guard against unauthorised or unlawful processing of the Personal Data and/or accidental loss, destruction or damage to the Personal Data and unauthorised or unlawful disclosure of or access to the Personal Data
- 2.1.7 take all reasonable steps to ensure the reliability and integrity of any of its Personnel who have access to the Personal Data and ensure that its Personnel:
 - (a) are aware of and comply with their duties under this Annex 1 (*Joint Controller Agreement*) and those in respect of Confidential Information
 - (b) are informed of the confidential nature of the Personal Data, are subject to appropriate obligations of confidentiality and do not publish, disclose or divulge any of the Personal Data to any third party where that Party would not be permitted to do so;
 - (c) have undergone adequate training in the use, care, protection and handling of personal data as required by the applicable Data Protection Legislation;

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- 2.1.8 ensure that it has in place Protective Measures as appropriate to protect against a Data Loss Event having taken account of the:
 - (a) nature of the data to be protected;
 - (b) harm that might result from a Data Loss Event;
 - (c) state of technological development; and
 - (d) cost of implementing any measures.
- 2.1.9 ensure that it has the capability (whether technological or otherwise), to the extent required by Data Protection Legislation, to provide or correct or delete at the request of a Data Subject all the Personal Data relating to that Data Subject that the Supplier holds;
- 2.1.10 ensure that it notifies the other Party as soon as it becomes aware of a Data Loss Event;
- 2.1.11 not transfer such Personal Data outside of the UK and/or the EEA unless the prior written consent of the non-transferring Party has been obtained and the following conditions are fulfilled:
 - (a) the destination country has been recognised as adequate by the UK government is in accordance with Article 45 of the UK GDPR or DPA 2018 Section 74A and/or the transfer is in accordance with Article 45 of the EU GDPR (where applicable); or
 - (b) the transferring Party has provided appropriate safeguards in relation to the transfer (whether in accordance with Article 46 of the UK GDPR or DPA 2018 Section 75 and/or Article 46 of the EU GDPR (where applicable) as agreed with the non-transferring Party which could include the International Data Transfer Agreement or International Data Transfer Agreement Addendum to the European Commission's SCCs as published by the Information Commissioner's Office and as set out in Annex 2 to Schedule 31 (*Processing Personal Data*) (as appropriate), as well as any additional measures;
 - (A) where the transfer is subject to UK GDPR:
 - (i) the UK International Data Transfer Agreement (the "**IDTA**") as published by the Information Commissioner's Office or such updated version of such IDTA as is published by the Information Commissioner's Office under section 119A(1) of the DPA 2018 from time to time; or
 - (ii) the European Commission's Standard Contractual Clauses per decision 2021/914/EU or such updated version of such Standard Contractual Clauses as are published by the European Commission from time to time (the "**EU SCCs**"), together with the UK International Data Transfer Agreement Addendum to the EU SCCs (the "**Addendum**") or such updated version of such Addendum as is published by the

Information Commissioner's Office under section 119A(1) of the DPA 2018 from time to time; and/or

(B) where the transfer is subject to EU GDPR, the EU SCCs,

(as well as any additional measures determined by the Controller being implemented by the importing party;

- (c) the Data Subject has enforceable rights and effective legal remedies;
- (d) the transferring Party complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if it is not so bound, uses its best endeavours to assist the non-transferring Party in meeting its obligations); and
- (e) the transferring Party complies with any reasonable instructions notified to it in advance by the non-transferring Party with respect to the processing of the Personal Data; and

2.2 Each Joint Controller shall use its best endeavours to assist the other Controller to comply with any obligations under applicable Data Protection Legislation and shall not perform its obligations under this Annex in such a way as to cause the other Joint Controller to breach any of its' obligations under applicable Data Protection Legislation to the extent it is aware, or ought reasonably to have been aware, that the same would be a breach of such obligations

3. Data Protection Breach

3.1 Without prejudice to Paragraph 3.2, each Party shall notify the other Party promptly and without undue delay, and in any event within 48 hours, upon becoming aware of any Data Loss Event or circumstances that are likely to give rise to a Data Loss Event, providing the other Party and its advisors with:

3.1.1 sufficient information and in a timescale which allows the other Party to meet any obligations to report a Data Loss Event under the Data Protection Legislation;

3.1.2 all reasonable assistance, including:

- (a) co-operation with the other Party and the Information Commissioner investigating the Data Loss Event and its cause, containing and recovering the compromised Personal Data and compliance with the applicable guidance;
- (b) co-operation with the other Party including taking such reasonable steps as are directed by the Authority to assist in the investigation, mitigation and remediation of a Data Loss Event;
- (c) co-ordination with the other Party regarding the management of public relations and public statements relating to the Data Loss Event;
- (d) providing the other Party and to the extent instructed by the other Party to do so, and/or the Information Commissioner investigating the Data

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Loss Event, with complete information relating to the Data Loss Event, including, without limitation, the information set out in Paragraph 3.2.

3.2 Each Party shall take all steps to restore, re-constitute and/or reconstruct any Personal Data where it has lost, damaged, destroyed, altered or corrupted as a result of a Data Loss Event which is the fault of that Party, as if it was that Party's own data at its own cost with all possible speed and shall provide the other Party with all reasonable assistance in respect of any such Data Loss Event, including providing the other Party, as soon as possible and within 48 hours of the Data Loss Event relating to the Data Loss Event, in particular:

- 3.2.1 the nature of the Data Loss Event;
- 3.2.2 the nature of Personal Data affected;
- 3.2.3 the categories and number of Data Subjects concerned;
- 3.2.4 the name and contact details of the Supplier's Data Protection Officer or other relevant contact from whom more information may be obtained;
- 3.2.5 measures taken or proposed to be taken to address the Data Loss Event; and
- 3.2.6 describe the likely consequences of the Data Loss Event.

4. Audit

4.1 The Supplier shall permit:

- 4.1.1 the Authority, or a third-party auditor acting under the Authority's direction, to conduct, at the Authority's cost, data privacy and security audits, assessments and inspections concerning the Supplier's data security and privacy procedures relating to Personal Data, its compliance with this Annex 1 and the Data Protection Legislation.
- 4.1.2 the Authority, or a third-party auditor acting under the Authority's direction, access to premises at which the Personal Data is accessible or at which it is able to inspect any relevant records, including the record maintained under Article 30 of the UK GDPR by the Supplier so far as relevant to the Contract, and procedures, including premises under the control of any third party appointed by the Supplier to assist in the provision of the Services.

4.2 The Authority may, in its sole discretion, require the Supplier to provide evidence of the Supplier's compliance with Paragraph 4.1 in lieu of conducting such an audit, assessment or inspection.

5. Impact Assessments

5.1 The Parties shall:

- 5.1.1 provide all reasonable assistance to each other to prepare any Data Protection Impact Assessment as may be required (including provision of detailed information and assessments in relation to processing operations, risks and measures);
- 5.1.2 maintain full and complete records of all Processing carried out in respect of the

Personal Data in connection with this Contract, in accordance with the terms of Article 30 of the UK GDPR.

6. ICO Guidance

The Parties agree to take account of any non-mandatory guidance issued by the Information Commissioner, and/or any relevant Central Government Body and/or any other regulatory authority. The Authority may on not less than thirty (30) Working Days' notice to the Supplier amend this Contract to ensure that it complies with any guidance issued by the Information Commissioner or any other regulatory authority.

7. Liabilities for Data Protection Breach

7.1 If financial penalties are imposed by the Information Commissioner on either the Authority or the Supplier for a Data Loss Event ("**Financial Penalties**") then the following shall occur:

7.1.1 If in the view of the Information Commissioner, the Authority is responsible for the Data Loss Event, in that it is caused as a result of the actions or inaction of the Authority, its employees, agents, contractors (other than the Supplier) or systems and procedures controlled by the Authority, then the Authority shall be responsible for the payment of such Financial Penalties. In this case, the Authority will conduct an internal audit and engage at its reasonable cost when necessary, an independent third party to conduct an audit of any such data incident. The Supplier shall provide to the Authority and its third party investigators and auditors, on request and at the Supplier's reasonable cost, full cooperation and access to conduct a thorough audit of such data incident;

7.1.2 If in the view of the Information Commissioner, the Supplier is responsible for the Data Loss Event, in that it is not a breach that the Authority is responsible for, then the Supplier shall be responsible for the payment of these Financial Penalties. The Supplier will provide to the Authority and its auditors, on request and at the Supplier's sole cost, full cooperation and access to conduct a thorough audit of such data incident; or

7.1.3 If no view as to responsibility is expressed by the Information Commissioner, then the Authority and the Supplier shall work together to investigate the relevant data incident and allocate responsibility for any Financial Penalties as outlined above, or by agreement to split any Financial Penalties equally if no responsibility for the Data Loss Event can be apportioned. In the event that the Parties do not agree such apportionment then such Dispute shall be referred to the Dispute Resolution Procedure set out in Schedule 23 (*Dispute Resolution Procedure*).

7.2 If either the Authority or the Supplier is the defendant in a legal claim brought before a court of competent jurisdiction ("**Court**") by a third party in respect of a Data Loss Event, then unless the Parties otherwise agree, the Party that is determined by the final decision of the court to be responsible for the Data Loss Event shall be liable for the losses arising from such breach. Where both Parties are liable, the liability will be apportioned between the Parties in accordance with the decision of the Court.

7.3 In respect of any losses, cost claims or expenses incurred by either Party as a result of a Data Loss Event (the "**Claim Losses**"):

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- 7.3.1 if the Authority is responsible for the relevant breach, then the Authority shall be responsible for the Claim Losses;
- 7.3.2 if the Supplier is responsible for the relevant breach, then the Supplier shall be responsible for the Claim Losses; and
- 7.3.3 if responsibility is unclear, then the Authority and the Supplier shall be responsible for the Claim Losses equally.

7.4 Nothing in Paragraphs 7.2-7.3 shall preclude the Authority and the Supplier reaching any other agreement, including by way of compromise with a third party complainant or claimant, as to the apportionment of financial responsibility for any Claim Losses as a result of a Data Loss Event, having regard to all the circumstances of the breach and the legal and financial obligations of the Authority.

8. Termination

- 8.1 If the Supplier is in material Default under any of its obligations under this Annex 1 (*Joint Controller Agreement*), the Authority shall be entitled to terminate this Contract by issuing a Termination Notice to the Supplier in accordance with Clause 31 (*Termination Rights*).

9. Sub-Processing

- 9.1 In respect of any Processing of Personal performed by a third party on behalf of a Party, that Party shall:
 - 9.1.1 carry out adequate due diligence on such third party to ensure that it is capable of providing the level of protection for the Personal Data as is required by this Contract, and provide evidence of such due diligence to the other Party where reasonably requested; and
 - 9.1.2 ensure that a suitable agreement is in place with the third party as required under applicable Data Protection Legislation.

10. Data Retention

- 10.1 The Parties agree to erase Personal Data from any computers, storage devices and storage media that are to be retained as soon as practicable after it has ceased to be necessary for them to retain such Personal Data under applicable Data Protection Legislation and their privacy policy (save to the extent (and for the limited period) that such information needs to be retained by a Party for statutory compliance purposes or as otherwise required by this Contract), and taking all further actions as may be necessary to ensure its compliance with Data Protection Legislation and its privacy policy.

Annex 2: International Data Transfer Agreement and International Data Transfer Agreement Addendum to the EU Commission Standard Contractual Clauses

Not Used

Annex 3: Standard Contractual Clauses for EU GDPR Compliant Transfers

Not Used

Schedule 32

Intellectual Property Rights

Schedule 32: Intellectual Property Rights

1 Intellectual Property Rights – General Provisions

- 1.1 Except as expressly provided for in this Contract or otherwise agreed in writing:
- 1.1.1 the Authority does not acquire any right, title or interest in or to the Intellectual Property Rights of the Supplier or its licensors, namely:
 - (a) the Supplier Software;
 - (b) the Third Party Software;
 - (c) the Third Party IPRs;
 - (d) the Supplier Background IPRs; and
 - (e) any Know-How, trade secrets or Confidential Information of the Supplier contained in any Specially Written Software or Project Specific IPR; and
 - 1.1.2 the Supplier does not acquire any right, title or interest in or to the Intellectual Property Rights of the Authority or its licensors, including:
 - (a) the Authority Software;
 - (a) the Authority Data; and
 - (b) the Authority Background IPRs; and
 - 1.1.3 neither Party has the right to use the other Party's IPRs, including any use of the other Party's names, logos or trademarks.
- 1.2 Where either Party acquires, by operation of law, ownership of Intellectual Property Rights that is inconsistent with the requirements of this Schedule 32 (*Intellectual Property Rights*), it must assign in writing the Intellectual Property Rights concerned to the other Party on the other Party's request (whenever made).
- 1.3 If the Supplier becomes aware at any time, including after the Term, that, in respect of any Deliverable, the Authority has not received the licences to the Supplier Software, the Third Party Software, the Third Party IPRs and the Supplier Background IPRs required by Paragraphs 2, 3 and 7, the Supplier must, within 10 Working Days notify the Authority:
- 1.3.1 the specific Intellectual Property Rights the Authority has not received licences to; and
 - 1.3.2 the Deliverables affected.
- 1.4 Where a patent owned by the Supplier is infringed by the use of the Specially Written Software or Project Specific IPR by the Authority or any Replacement Supplier, the Supplier hereby grants to the Authority and the Replacement Supplier a non-exclusive, irrevocable, royalty-free, worldwide patent licence to use the infringing methods, materials or software.
- 1.5 Unless otherwise agreed in writing, the Supplier will record in the table at Annex 1 to this

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Schedule and keep updated throughout the Term:

1.5.1 any Specially Written Software and Project Specific IPR; and

1.5.2 where:

- (a) the Specially Written Software or Project Specific IPR adapts Supplier Software, Third Party Software, Third Party IPRs, or Supplier Background IPRs; or
- (b) Supplier Software, Third Party Software, Third Party IPRs, or Supplier Background IPRs is embedded in, or forms an integral part of, the Specially Written Software or Project Specific IPR;

full details of the Supplier Software, Third Party Software, Third Party IPRs, or Supplier Background IPRs.

1.6 For the avoidance of doubt:

1.6.1 except as provided for in Paragraph 2.2.3(c)(ii), the expiry or termination of this Contract does not of itself terminate the licences granted to the Authority under Paragraph 2;

1.6.2 the award of this Contract or the ordering of any Deliverables does not constitute an authorisation by the Crown under:

- (a) Sections 55 and 56 of the Patents Act 1977;
- (b) section 12 of the Registered Designs Act 1949; or
- (c) sections 240 to 243 of the Copyright, Designs and Patents Act 1988.

Option 1

1 Not Used

Option 2

1 Ownership and delivery of IPR created under the Contract

- 1.1 Subject to Paragraph 1.3, the Supplier agrees to
- 1.1.1 transfer to the Authority, or procure the transfer to the Authority of all Intellectual Property Rights in the Specially Written Software and Project Specific IPRs, including:
 - (a) the Documentation, Source Code and the Object Code of the Specially Written Software; and
 - (b) all build instructions, test instructions, test scripts, test data, operating instructions and other documents and tools necessary for maintaining and supporting the Specially Written Software,(together the "**Software Supporting Materials**"); and
 - 1.1.2 execute all such assignments required to transfer properly any rights in the Specially Written Software and Project Specific IPRs to the Authority.
- 1.2 The Supplier must deliver to the Authority:
- 1.2.1 the Specially Written Software;
 - 1.2.2 any software elements of the Project Specific IPR;
 - 1.2.3 relevant Documentation; and
 - 1.2.4 all related Software Supporting Materials,
- within seven days of:
- 1.2.5 either:
 - (a) initial release or deployment; or
 - (b) if a relevant Milestone has been identified in an Implementation Plan, Achievement of that Milestone; and
 - 1.2.6 each subsequent release or deployment of the Specially Written Software and any software elements of the Project Specific IPR.
- 1.3 Where the Supplier delivers materials to the Authority under Paragraph 1.2, it must do so in a format specified by the Authority. Where the Authority specifies the material is to be delivered on media, the Authority becomes the owner of the media containing the material on delivery.

2 Use of Supplier or Third Party Non-COTS Software or Non-COTS Background IPR

- 2.1 The Supplier must not use any:
- 2.1.1 Supplier Non-COTS Software; or

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2.1.2 any Supplier Non-COTS Background IPR;

in the provision of the Services or any Deliverables (including in any Specially Written Software or in the software element of Project Specific IPRs) unless:

2.1.3 in the case of Supplier Non-COTS Software and the software elements of Supplier Non-COTS Background IPR, it is either:

- (a) detailed in Schedule 12 (*Software*); or
- (b) both:
 - (i) submitted to the Monthly Review Board for review; and
 - (ii) approved by the Authority; or

2.1.4 in the case of non-software elements of Supplier Non-COTS Background IPR, it is approved by the Authority in writing.

2.2 The Supplier must not use any:

2.2.1 Third Party Non-COTS Software; or

2.2.2 Third Party Non-COTS Background IPR,

in the provision of the Services or in any Deliverable (including in any Specially Written Software or in the software element of Project Specific IPRs) unless:

2.2.3 in the case of Third Party Non-COTS Software and the software elements of Third Party Non-COTS Background IPR, it is either:

- (a) detailed in Schedule 12 (*Software*); or
- (b) both:
 - (i) submitted to the Monthly Review Board for review; and
 - (ii) approved by the Authority; and
- (c) one of the following conditions is met:
 - (i) the owner or an authorised licensor of the relevant IPR has granted the Authority a direct licence on the terms equivalent to those set out in Paragraph 7; or
 - (ii) if the Supplier cannot, after commercially reasonable endeavours, meet the condition in Paragraph 2.2.3(c)(i), all the following conditions are met:
 - (A) the Supplier has notified the Authority in writing giving details of:
 - (1) what licence terms can be obtained from the relevant third party; and

- (2) whether there are providers which the Supplier could seek to use and the licence terms obtainable from those third parties;
 - (B) the Authority approves the licence terms of one of those third parties; and
 - (C) the owner and authorised licensor of the Third Party IPR has granted a direct licence of the Third Party IPR to the Authority on those terms; or
 - (iii) if the Supplier cannot meet the conditions in Paragraphs 2.2.3(c)(i) and 2.2.3(c)(ii), the Authority has provided written approval to use the relevant IPR without a licence, with reference to the acts authorised and the specific IPR involved; or
- 2.2.4 in the case of non-software elements of Third-Party Non-COTS Background IPR, it is approved by the Authority in writing.

3 Use of Supplier or Third Party COTS Software or COTS Background IPR

3.1 The Supplier must not use any:

- 3.1.1 Supplier COTS Software;
- 3.1.2 Supplier COTS Background IPR;
- 3.1.3 Third Party COTS Software; or
- 3.1.4 Third Party COTS Background IPR,

in the provision of the Services (including in any Specially Written Software or in the software element of Project Specific IPRs) unless:

- 3.1.5 in the case of Supplier COTS Software, Third Party COTS Software and the software elements of Supplier COTS Background IPR and Supplier COTS Background IPR, it is either:
 - (a) detailed in Schedule 12 (*Software*); or
 - (b) both:
 - (i) submitted to the Monthly Review Board for review; and
 - (ii) approved by the Authority; and
- 3.1.6 all the following conditions are met:
 - (a) the Supplier has provided the Authority with the applicable terms for the IPRs (which must be at a price and on terms no less favourable than those standard commercial terms on which such software is usually made commercially available); and
 - (b) the Authority has not (in its absolute discretion) rejected those licence terms within 10 Working Days of the date on which they were provided to the Authority.

4 Licences granted by the Authority

- 4.1 Subject to Paragraph 5, the Authority grants the Supplier a licence to the
- 4.1.1 the Project-Specific IPR;
 - 4.1.2 the Specially Written Software;
 - 4.1.3 the Authority Software;
 - 4.1.4 the Authority Data; and
 - 4.1.5 the Authority Background IPRs;
- that:
- 4.1.6 is non-exclusive, royalty-free and non-transferable;
 - 4.1.7 is sub-licensable to any Sub-contractor where;
 - (a) the Sub-contractor enters into a confidentiality undertaking with the Supplier on the same terms as set out in Annex 1 to Schedule 12 (*Software*); and
 - (b) the sub-licence does not purport to provide the sub-licensee with any wider rights than those granted to the Supplier under this Paragraph;
 - 4.1.8 allows the Supplier and any sub-licensee to use, copy and adapt any licensed IPRs for the purpose of:
 - (a) fulfilling its obligations under this Contract; and
 - (b) commercially exploiting the Project Specific IPR and Specially Written Software; and
 - 4.1.9 continues in effect following the expiry or earlier termination of this Contract.
- 4.2 When the licence granted under Paragraph 4.1:
- 4.2.1 terminates in accordance with Paragraph 5; or
 - 4.2.2 no longer has effect at the end of the Term or the expiry of any Termination Assistance Period (whichever is the later),
- the Supplier must, and must ensure that each Sub-contractor granted a sub-licence under Paragraph 4.1.7:
- 4.2.3 immediately cease all use of the licensed IPR;
 - 4.2.4 either:
 - (a) at the discretion of the Authority, return or destroy documents and other tangible materials that contain any of the licensed IPR; or
 - (b) if the Authority has not made an election within six months of the termination of the licence, destroy the documents and other tangible

materials that contain any of the licensed IPR; and

- 4.2.5 ensure, so far as reasonably practicable, that any licensed IPR held in electronic, digital or other machine-readable form ceases to be readily accessible from any computer, word processor, voicemail system or any other device of the Supplier.

5 Authority approval for Supplier to exploit IPR created under Contract

- 5.1 Before using, copying or adapting any:

- 5.1.1 Project-Specific IPR;
- 5.1.2 Specially Written Software;
- 5.1.3 Authority Software;
- 5.1.4 Authority Data; and
- 5.1.5 Authority Background IPRs;

for any purpose other than fulfilling its obligations under this Contract, the Supplier must seek the approval of the Authority in accordance with the provisions of this Paragraph.

- 5.2 The Authority may terminate any licence it grants under this Paragraph by notice in writing with immediate effect where the Supplier breaches any condition in that licence.

- 5.3 The Supplier must provide a proposal setting out:

- 5.3.1 the purpose for which it proposes to use the IPR;
- 5.3.2 the activities the Supplier proposes to undertake with or in respect of the IPR;
- 5.3.3 such further information as the Authority may reasonably require to properly consider the proposal.

- 5.4 The Authority may only refuse the Supplier's proposal where it considers that if the Supplier were to implement the proposal it would harm:

- 5.4.1 the Authority's reputation; or
- 5.4.2 the Authority's interests.

- 5.5 Where the Authority has not:

- 5.5.1 approved or declined the proposal; or
- 5.5.2 required further information,

within 20 Working Days of the later of:

- 5.5.3 the date the proposal was first provided to the Authority; or
- 5.5.4 the date on which further information was provided to the Authority,

then the proposal is, for the purposes of this Contract, approved.

6 Provision of information on Project Specific IPR and Specially Written Software

- 6.1 The Authority may, at any time, require the Supplier to provide information on:
 - 6.1.1 the purposes, other than for the purposes of this Contract, for which the Supplier uses Project Specific IPR and Specially Written Software; and
 - 6.1.2 the activities the Supplier undertakes, other than under this Contract, with or in respect of the Project Specific IPR and Specially Written Software.
- 6.2 The Supplier must provide the information required by the Authority:
 - 6.2.1 within 20 Working Days of the date of the requirement; and
 - 6.2.2 in the form and with the content specified by the Authority.

7 Licences in respect of Supplier Non-COTS Software and Supplier Non-COTS Background IPR

- 7.1 Subject to the Authority approving the use of Supplier Non-COTS Software and Supplier Non-COTS Background IPR under Paragraph 2, the Supplier grants the Authority a Supplier Existing IPR Licence on the terms set out in Paragraph 7.3 in respect of each Deliverable where:
 - 7.1.1 the Supplier Non-COTS Software and Supplier Non-COTS Background IPR is embedded in the Deliverable;
 - 7.1.2 the Supplier Non-COTS Software and Supplier Non-COTS Background IPR is necessary for the Authority to use the Deliverable for any of the purposes set out in Paragraph 7.4; or
 - 7.1.3 the Deliverable is a customisation or adaptation of Supplier Non-COTS Software and Supplier Non-COTS Background IPR.
- 7.2 The categories of Supplier Non-COTS Software and Supplier Non-COTS Background IPR set out in Paragraph 7.1 are mutually exclusive.
- 7.3 The Supplier Existing IPR Licence granted by the Supplier to the Authority is a non-exclusive, perpetual, royalty-free, irrevocable, transferable, sub-licensable, worldwide licence that:
 - 7.3.1 in the case of Supplier Non-COTS Software and Supplier Non-COTS Background IPR embedded in a Deliverable:
 - (a) has no restriction on the identity of any transferee or sub-licensee;
 - (b) is sub-licensable for any of the purposes set out in Paragraph 7.4;
 - (c) allows the Authority and any transferee or sub-licensee to use, copy and adapt the Supplier Non-COTS Software and Supplier Non-COTS Background IPR for any of the purposes set out in Paragraph 7.4; and
 - 7.3.2 in the case of Supplier Non-COTS Software and Supplier Non-COTS Background IPR that is necessary for the Authority to use the Deliverable for its

intended purpose or has been customised or adapted to provide the Deliverable:

- (a) allows the Authority and any transferee or sublicensee to use and copy, but not adapt, disassemble or reverse engineer the relevant Supplier Non-COTS Software and Supplier Non-COTS Background IPR for any of the purposes set out in Paragraph 7.4;
- (b) is transferrable to only:
 - (i) a Crown Body;
 - (ii) anybody (including any private sector body) that performs or carries out any of the functions or activities that the Authority had previously performed or carried out; or
 - (iii) a person or organisation that is not a direct competitor of the Supplier; where that transferee:
 - (A) enters into a direct arrangement with the Supplier in the form set out in Annex 1 of Schedule 12 (*Software*); or
 - (B) enters into a confidentiality arrangement with the Authority in terms equivalent to those set out in set out in Clause 19 (*Confidentiality*);
- (c) is sub-licensable to the Replacement Supplier (including where the Replacement Supplier is a competitor of the Supplier) where the Replacement Supplier:
 - (i) enters into a direct arrangement with the Supplier in the form set out in Annex 1 of Schedule 12 (*Software*); or
 - (ii) enters into a confidentiality arrangement with the Authority in terms equivalent to those set out in set out in Clause 19 (*Confidentiality*);

7.3.3 includes a perpetual, royalty-free, non-exclusive licence to use, copy and adapt any Know-How, trade secrets or Confidential Information of the Supplier contained within any Supplier Non-COTS Software and Supplier Non-COTS Background IPR;

7.3.4 continues in effect following the expiry or earlier termination of this Contract; and

7.3.5 is subject to the restrictions that:

- (a) no sub-licence granted to the Supplier Non-COTS Software and Supplier Non-COTS Background IPR shall purport to provide the sub-licensee with any wider rights than those granted to the Authority under this Paragraph;
- (b) any transferee or sublicensee of the Supplier Non-COTS Software and Supplier Non-COTS Background IPR must either:
 - (i) enter into a direct arrangement with the Supplier in the form set out in Annex 1 of Schedule 12 (*Software*); or
 - (ii) enter into a confidentiality arrangement with the Authority in terms

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equivalent to those set out in set out in Clause 19 (*Confidentiality*).

- 7.4 For the purposes of Paragraphs 7.1 and 7.3, the relevant purposes are:
 - 7.4.1 to allow the Authority or any End User to receive and use the Deliverables;
 - 7.4.2 to commercially exploit the Project Specific IPR, Specially Written Software and Software Supporting Materials; and
 - 7.4.3 for any purpose relating to the exercise of the Authority's (or, if the Authority is a Public Sector Body, any other Public Sector Body's) business or function.
- 7.5 Where the legal status of the Authority changes, such that it ceases to be a Crown Body:
 - 7.5.1 the Supplier Existing IPR Licence is unaffected; and
 - 7.5.2 any successor body of the Authority that is a Crown Body shall have the benefit of the Supplier Existing IPR Licence.
- 7.6 Where the Supplier Existing IPR Licence is transferred under Paragraph 7.3.1(a) or 7.3.2(b) or there is a change in the Authority's legal status to which Paragraph 7.5 applies, the transferee or successor body do not acquire any wider rights than those granted to the Authority under this Paragraph.

Option 3

1 Not Used

Option 4

1 Not Used

Option 5

1 Not Used

Annex 1: Project Specific IPR and Specially Written Software

Name of Project Specific IPR	Details

Name of Specially Written Software	Details

Name of adapted or embedded Supplier Software, Third Party Software, Third Party IPRs, or Supplier Background IPRs	Details

Schedule 33

DWP Additional Requirements

Schedule 33: DWP Additional Requirements

“DWP Offshoring Policy” means the Authority’s policy and procedures in relation to hosting or accessing the Authority’s System or official information outside of the UK including Landed Resources as advised to the Supplier by the Authority from time to time

“Landed Resources” means when the Supplier or its Sub-contractor causes foreign nationals to be brought to the United Kingdom, to provide the Services

1. Prevention Of Fraud

- 1.1 In addition to the provisions of Clause 37 of the Core Terms, the Supplier shall use its best endeavours to safeguard the Authority's funding of the Contract against Prohibited Acts generally and, in particular, Prohibited Acts on the part of the Supplier's directors, employees or Sub-contractors. The Supplier shall pay the utmost regard to safeguarding public funds against misleading claims for payment and shall notify the Authority immediately if it has reason to suspect that any serious irregularity or Prohibited Acts has occurred or is occurring.
- 1.2 In addition to any other provision in this Contract if the Supplier, Supplier Personnel or its Sub-contractors commits a Prohibited Act in relation to this or any other Contract with the Crown Body (including the Authority) the Authority may:
 - 1.2.1 Terminate this Contract and recover from the Supplier the amount of any loss suffered by the Authority resulting from the termination, including the cost reasonably incurred by the Authority of making other arrangements for the supply of the Services and any additional expenditure incurred by the Authority throughout the remainder of the Contract Period; or
 - 1.2.2 Recover in full from the Supplier any other loss sustained by the Authority in consequence of any breach of this Paragraph 1 (Prevention of Fraud) or Paragraph 3 (Prevention of Bribery and Corruption) or Clause 37 (Prevention of Fraud and Bribery) of the Core Terms.

2. Offshoring

Supply of the Services

- 2.1 While not in any way limiting any other provision of this Contract, in delivering the Services the Supplier and any of its Sub-contractors shall comply with the DWP Offshoring Policy. The DWP Offshoring Policy shall apply to Landed Resources.

Protection of Information

- 2.2 In accordance with the DWP Offshoring Policy and while not in any way limiting any other provision of this Contract, the Supplier and any of its Sub-contractors, shall not offshore Authority Data (as described in the DWP Offshoring Policy) outside the United Kingdom

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without the prior written consent of the Authority, and where the Authority gives consent, the Supplier shall comply with any reasonable instructions notified to it by the Authority in relation to the Authority Data in question.

2.3 Where the Authority has given its prior written consent to the Supplier to process, host or access Authority Data from premises outside the United Kingdom (in accordance with Clause 21 (Protection of Personal Data) and Schedule 31: Processing Personal Data):

2.3.1 the Supplier must notify the Authority (in so far as they are not prohibited by Law) where any Regulatory Bodies seek to gain or has gained access to such Authority Data;

2.3.2 the Supplier shall take all necessary steps in order to prevent any access to, or disclosure of, any Authority Data to any Regulatory Bodies outside the United Kingdom unless required by Law without any applicable exception or exemption.

2.4 For further details on the Offshoring government policy, please refer to:

<https://www.gov.uk/government/publications/guide-for-dwp-contractors-dwp-offshoring-policy/a-guide-for-dwp-contractors>

3. Prevention of Bribery and Corruption

3.1 In addition to the requirements under Clause 37.3 of the Core Terms, the Supplier shall, if requested, provide the Authority with any reasonable assistance, at the Authority's reasonable cost, to enable the Authority to perform any activity required by any relevant government or agency in any relevant jurisdiction for the purpose of compliance with the Bribery Act 2010;

3.2 Despite Clause 43 (Disputes) and Schedule 23: Dispute Resolution Procedure) any dispute relating to:

3.2.1 the interpretation of Clause 37 (Prevention of Fraud, Bribery, and Conflicts) of the Core Terms; and/or

3.2.2 this Paragraph 3; and/or

3.2.3 the amount or value of any gift, consideration or commission,

shall be determined by the Authority and its decision shall be final and conclusive.

3.3 Any termination under Clause 31.1(Termination by the Authority) and/or this Paragraph 3 will be without prejudice to any right or remedy which has already accrued or subsequently accrues to the Authority.

4. Social Value And Life Chances Through Procurement

4.1 The Supplier shall comply with Annex 1 (Social Value and Life Chances Through Procurement) to this Schedule 33 (DWP Additional Requirements) at all times during the Contract Period.

5. Authority Asset Terms

5.1 Where the Authority provides Authority Assets free of charge to the Supplier such Authority

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Assets shall be and remain the property of the Authority and the Supplier irrevocably licences the Authority and its agents to enter upon any premises of the Supplier during normal business hours on reasonable notice to recover any such Authority Assets. The Supplier shall not in any circumstances have a lien or any other interest on the Property and the Supplier shall at all times have access to or custody of the Authority Assets as fiduciary agent and bailee of the Authority. The Supplier shall take all reasonable steps to ensure that the title of the Authority to the Authority Assets and the exclusion of any such lien or other interest are brought to the notice of all Sub-contractors and other appropriate persons and shall, at the Authority's request, store the Authority Assets separately and ensure that it is clearly identifiable as belonging to the Authority.

- 5.2 The Authority Assets shall be deemed to be in good condition when received by or on behalf of the Supplier unless the Supplier notifies the Authority otherwise in writing within five (5) Working Days of receipt.
- 5.3 The Supplier shall maintain the Authority Assets in good order and condition (excluding fair wear and tear), and shall use the Authority Assets solely in connection with the Contract and for no other purpose without prior approval.
- 5.4 The Supplier shall ensure that all the Authority Assets whilst in its custody, either on the Authority's Premises or elsewhere during the supply of the Services, is secured in accordance with the Baseline Security Requirements.
- 5.5 The Supplier shall be liable for all loss of, or damage to, the Authority Assets (excluding fair wear and tear), unless such loss or damage was caused by the Authority's Default. The Supplier shall inform the Authority within two (2) Working Days of becoming aware of any defects appearing in, or loss or damage occurring to, the Authority Assets.

6. Other

- 6.1 The Supplier shall comply with each of the Annexes to this Schedule 33 at all times during the Term.

Annex 1 To Schedule 33

SOCIAL VALUE AND LIFE CHANCES THROUGH PROCUREMENT

This Annex 1 sets out the life chances through procurement requirements which are applicable to the provision of the Services (**“Social Value and Life Chances Through Procurement”**).

“Access to Work”	means the access to work programme available at https://www.gov.uk/access-to-work which may be amended from time to time
“Apprentices”	means apprenticeships as described and/or otherwise referred to in the Life Chances Through Procurement Guidance for DWP Contractors.
“Black and Minority Ethnic People”	means black and minority ethnic people as described and/or otherwise referred to in the Life Chances Through Procurement Guidance for DWP Contractors.
“Disabled People “	means disabled people as described and/or otherwise referred to in the Life Chances Through Procurement Guidance for DWP Contractors
“Disability Confident Employer “	means the disability confident employer scheme available at https://www.gov.uk/government/collections/disability-confident-campaign which may be amended from time to time
“Disability Confident Scheme “	means the disability confident scheme (previously named the Guaranteed Interview Scheme) available at https://www.gov.uk/government/publications/guaranteed-interview-scheme which may be amended from time to time.
“Employment Experience”	means employment experience as described and/or otherwise referred to in the Life Chances Through Procurement Guidance for DWP Contractors
“Life Chances Through Procurement Guidance for DWP Contractors”	Means the guidance published at https://www.gov.uk/government/publications/life-chances-through-procurement-guidance-for-dwp-contractors/life-chances-through-procurement-guidance-for-dwp-contractors as updated and/or replaced from time to time.
“National Apprenticeship Service”	mean the apprenticeship policies available at https://www.apprenticeships.gov.uk/employers# and

<https://www.gov.uk/apply-apprenticeship> which may change from time to time.

“Older Workers”	means older workers as described and/or otherwise referred to in the Life Chances Through Procurement Guidance for DWP Contractors.
“Prison Leavers”	means prison leavers as described and/or otherwise referred to in the Life Chances Through Procurement Guidance for DWP Contractors.
“Universal Jobmatch”	means the job advertisement platform available at https://www.gov.uk/find-a-job which may be amended from time to time
“Work Trials”	means the short unpaid period of work offered by the Supplier to a jobseeker who is entitled to receive benefits in line with the following policy https://www.gov.uk/jobcentre-plus-help-for-recruiters/work-trials
“Young People”	means young people as described and/or otherwise referred to in the Life Chances Through Procurement Guidance for DWP Contractors.

1. General

- 1.1 The Supplier acknowledges that the Crown Body is committed to assisting people to move from welfare to employment and driving forward improvements in economic, social and environmental well-being.
- 1.2 The Supplier: (a) acknowledges that the Authority has a responsibility to support and promote wider social sustainability objectives for the benefit of society; and (b) agrees to cooperate with the Authority to improve life chances for those most disadvantaged and furthest from the labour market.
- 1.3 The Supplier acknowledges that the Authority is supporting the Crown Body’s life chances and social value agendas by aiming to promote opportunities for groups of persons (“**DWP Priority Groups**”) which the Authority regards as meriting priority assistance including but not limited to Apprentices, Disabled People, Young People, Older Workers, Prison Leavers and Black and Minority Ethnic People.

2. Diversity and Equality Delivery Plan

- 2.1 In addition to complying with its obligations set out in this Annex (Social Value and Life

Chances Through Procurement) to Schedule 33 (DWP Additional Requirements) the Authority requires the Supplier to provide such information as the Authority may request on: (a) the action(s) the Supplier is taking in the course of supplying the Services to comply with this Annex 1 (Social Value and Life Chances Through Procurement) to this Schedule 33 (DWP Additional Requirements); and (b) the effect such action(s) have on the Supplier Personnel used in the performance of its obligations under the Contract.

2.2 As part of the information to be provided by the Supplier under paragraph 2.1 of this Annex 1 (Social Value and Life Chances Through Procurement) to this Schedule 33 (DWP Additional Requirements), the Authority requires the Supplier to provide to the Authority a diversity and equality delivery plan ("**Diversity and Equality Delivery Plan**") six (6) Months after the Effective Date, and annually thereafter. The Diversity and Equality Delivery Plan must be specific to the Contract and include: (a) details of all Staff including but not limited to all Sub-contractors involved in the performance of the Supplier's obligations under the Contract; and (b) details of the action(s) the Supplier is taking to support the Crown Body's social value agenda including but not limited to the action(s) the Supplier is taking to meet its obligations under paragraph 2.3 of this Annex 1 (Social Value and Life Chances Through Procurement) to Schedule 33 (DWP Additional Requirements).

2.3 The Supplier shall, and shall ensure that its Sub-contractors, take the following action(s) in respect of DWP Priority Groups;

a) Apprentices

- Ensure that 5% of the Supplier Personnel used in the performance of the Supplier's obligations under the Contract are Apprentices.
- Make available to potential members of Supplier Personnel information about the National Apprenticeship Service.

b) Disabled People

- Take steps to become a Disability Confident Employer.
- Make appropriate use of Access to Work to support recruit and retain disabled workers.
- When recruiting Supplier Personnel to be used in the performance of the Supplier's obligations under the Contract, offer Disabled People interviews under a Disability Confident Scheme for vacancies for Supplier Personnel where the Disabled People meet the minimum criteria for such vacancies.
- Offer Work Trials to Disabled People to support filling vacancies for Supplier Personnel.
- Provide Employment Experience to Disabled People as members of Supplier Personnel used in the performance of the Supplier's obligations under the Contract to develop their skills and experience and increase their employability.

c) Young People – Under 25

- Offer Work Trials to Young People to support filling vacancies for Supplier Personnel.
- Provide Employment Experience to Young People as members of Supplier Personnel to develop their skills and experience and increase their employability.

d) Older Workers – Over 50

- Offer Work Trials to Older Workers to support filling vacancies for Supplier Personnel.
- Provide Employment Experience to Older People as members of Supplier Personnel to develop their skills and experience and increase their employability.

e) Prison Leavers

- Offer Work Trials to Prison Leavers to support filling vacancies for Supplier Personnel.
- Provide Employment Experience to Prison Leavers as members of Supplier Personnel to develop their skills and experience and increase their employability.

f) Black and Minority Ethnic People

- Offer Work Trials to Black and Minority Ethnic people to support filling vacancies for Supplier Personnel.
- Provide Employment Experience to Black and Minority Ethnic people as members of Supplier Personnel to develop their skills and experience and increase their employability.

g) Employee Vacancies

- Advertise all vacancies for Supplier Personnel via Universal Jobmatch in addition to any other recruitment agencies with whom the Supplier advertises such vacancies and any other actions the Supplier takes to recruit Supplier Personnel.

2.4 The Diversity and Equality Delivery Plan must also include:

2.4.1 an overview of Supplier and any Sub-contractor's policies and procedures for preventing unlawful discrimination and promoting equality of opportunity in respect of:

- (a) age;
- (b) disability;
- (c) gender reassignment;
- (d) marriage and civil partnership;
- (e) pregnancy and maternity;
- (f) race;
- (g) religion or belief;
- (h) sex; and
- (i) sexual orientation;

2.4.2 an overview of Supplier and any Sub-contractor's policies and procedures covering:

- (a) harassment;
- (b) bullying;

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- (c) victimisation; and
 - (d) Supplier Personnel training and development;
 - 2.4.3 details of the way in which the above policies and procedures are, or will be (and by when), communicated to Supplier Personnel;
 - 2.4.4 details of what general diversity and equality related training has been, or will be delivered (and by when), to Supplier Personnel; and
 - 2.4.5 details of what structure and resources are currently directed towards active promotion of diversity and equality within the Supplier Personnel , or if not currently in place, what will be put in place and by when.
- 2.5 The Authority will consider and must agree the contents of Diversity and Equality Delivery Plan. Any issues will be raised with the Supplier by the Authority Representative acting on behalf of the Authority. If an issue relates to a Sub-contractor, the Supplier must raise and resolve the issue with the Sub-contractor.

Life Chances Workforce Monitoring Template

- 2.6 The Supplier shall provide the Life Chances Workforce Monitoring template (contained in Appendix 1 to this Annex 1 (Social Value and Life Chances Through Procurement) to this Schedule 33 (DWP Additional Requirements)), duly completed in full by the Supplier in respect of all Supplier Personnel (including but not limited to all Sub-contractors used in the performance of the Supplier's obligations under the Contract), six (6) Months after the Effective Date and annually thereafter.
- 2.7 The Supplier shall complete the Life Chances Workforce Monitoring template in line with the 'Life Chances through Procurement Guidance for DWP Contractors' and the Contract definitions.
- 2.8 The Supplier will compare figures in all categories listed in Annex 1 (Social Value and Life Chances Through Procurement) and provide (where possible) comparisons against any official national/regional statistics that are publicly available in accordance with the 'Life Chances through Procurement Guidance for DWP Contractors' provided by the Authority to the Supplier.
- 2.9 The 'Life Chances through Procurement Guidance for DWP Contractors' provides links to a number of data collection sources, this is not an exhaustive list and other sources are available. The Authority recognises that there may be regional variations in terms of population demographics and some data categories and coverage may not be complete or fully aligned, however, the Supplier agrees to provide high level analysis and identification of trends as and when requested by the Authority.
- 2.10 The Supplier shall provide and shall ensure that its Sub-contractors provide such evidence as the Authority may require of action(s) undertaken or planned by the Supplier and/or any Sub-contractor to improve the numbers in the Life Chances Workforce Monitoring template (contained in Annex 1 (Social Value and Life Chances Through Procurement) to this Schedule to the satisfaction of the Authority.
- 2.11 Diversity and equality, the Crown Body's social value agenda and DWP Priority Groups

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will be discussed jointly by the Authority and the Supplier as an on-going item at Contract review meetings. Such meetings will discuss the information provided by the Supplier in accordance with paragraph 2.2 of this Annex 1 (Social Value and Life Chances Through Procurement) to Schedule 33 (DWP Additional Requirements).

Appendix 1 to Annex 1

LIFE CHANCES WORKFORCE MONITORING TEMPLATE

Important – the figures the Supplier provides must relate specifically to the staff used in the performance of the Supplier's obligations under the Contract only, which for the avoidance of doubt includes any Sub-contractor.

Date of Return Month: Year	
Name of Contract:	
Contract Number:	
Name of Supplier:	
Effective Date:	
Total Number of Supplier Personnel, which for the avoidance of doubt includes any Sub-contractors	

1 – Number of new Supplier Personnel posts created in the performance of the Supplier's obligations under the Contract

New Staff Posts	Number of new Supplier Personnel posts created in period	
	1-34 hr per week posts	35 hr + per week posts
Baseline return (at 6 months for months 0-6)		
1 st annual return (at 18 months for months 7-18)		
2 nd annual return (at 30 months for months 19 - 30)		
3 rd annual return (at 42 months for months 31-42)		

2 – Number of Apprentices in Supplier Personnel used in the performance of the Supplier's obligations under the Contract

DWP Priority Group - Apprentices	Number of Apprentices in Supplier Personnel which have been employed for 26 weeks or longer in period	% of Apprentices in Supplier Personnel at the end of the period	Number of Apprentices who began apprenticeships as part of the Supplier Personnel during the period

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Baseline return (at 6 months for months 0-6)			
1 st annual return (at 18 months for months 7-18)			
2 nd annual return (at 30 months for months 19 - 30)			
3 rd annual return (at 42 months for months 31- 42)			

3 – Number of Disabled People in Supplier Personnel used in the performance of the Supplier's obligations under the Contract

DWP Priority Group - Disabled People	Number of Disabled People in Supplier Personnel which have been employed for 26 weeks or longer in period	% of Disabled People in Supplier Personnel at end of period	Number of Disabled People who began employment as part of the Supplier Personnel during the period
Baseline return (at 6 months for months 0-6)			
1 st annual return (at 18 months for months 7-18)			
2 nd annual return (at 30 months for months 19 - 30)			
3 rd annual return (at 42 months for months 31- 42)			

4 – Number of Disabled People, who had been interviewed by the Supplier under the Disability Confident Scheme (DIS) for Supplier Personnel posts used in the performance of the Supplier's obligations under the Contract,

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DWP Priority Group – Disabled People in the Supplier Personnel who had been interviewed by the Supplier under the DIS	Number of Disabled People who have been interviewed for Supplier Personnel posts by the Supplier under the DIS during the period
Baseline return (at 6 months for months 0-6)	
1 st annual return (at 18 months for months 7-18)	
2 nd annual return (at 30 months for months 19 - 30)	
3 rd annual return (at 42 months for months 31-42)	

5 – Number of Young People in Supplier Personnel used in the performance of the Supplier’s obligations under the Contract

DWP Priority Group - Young People	Number of Young People in Supplier Personnel which have been employed for 26 weeks or longer in period	% Young People in Supplier Personnel at end of period	Number of Young People who began employment as part of the Supplier Personnel during the period
Baseline return (at 6 months for months 0-6)			
1 st annual return (at 18 months for months 7-18)			
2 nd annual return (at 30 months for months 19 - 30)			
3 rd annual return (at 42 months for months 31-42)			

6 – Number of Older Workers in Supplier Personnel used in the performance of the Supplier’s obligations under the Contract

DWP Priority Group - Older Workers	Number of Older Workers in Supplier Personnel which have been employed	% Older Workers in Supplier Personnel at end of period	Number of Older Workers who began employment as part of the Supplier Personnel during the period

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	for 26 weeks or longer in period		
Baseline return (at 6 months for months 0-6)			
1 st annual return (at 18 months for months 7-18)			
2 nd annual return (at 30 months for months 19 - 30)			
3 rd annual return (at 42 months for months 31-42)			

7 – Number of Prison Leavers in Supplier Personnel used in the performance of the Supplier’s obligations under the Contract.

DWP Priority Group - Prison Leavers	Number of Prison Leavers in Supplier Personnel which have been employed for 26 weeks or longer in period	% Prison Leavers in Supplier Personnel at end of period	Number of Prison Leavers who began employment as part of the Supplier Personnel during the period
Baseline return (at 6 months for months 0-6)			
1 st annual return (at 18 months for months 7-18)			
2 nd annual return (at 30 months for months 19 - 30)			
3 rd annual return (at 42 months for months 31-42)			

8 – Number of Black or Minority Ethnic (BME) in Supplier Personnel used in the performance of the Supplier’s obligations under the Contract.

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DWP Priority Group - Black or Minority Ethnic (BME)	Number BME in Supplier Personnel which have been employed for 26 weeks or longer in period	% BME in Supplier Personnel at end of period	Number of BME who began employment as part of the Supplier Personnel during the period
Baseline return (at 6 months for months 0-6)			
1 st annual return (at 18 months for months 7-18)			
2 nd annual return (at 30 months for months 19 - 30)			
3 rd annual return (at 42 months for months 31-42)			

9 – Number of Employment Experience placements conducted in the performance of the Supplier’s obligations under the Contract

Employment Experience placements	Number of Employment Experience placements conducted during the period
Baseline return (at 6 months for months 0-6)	
1 st annual return (at 18 months for months 7-18)	
2 nd annual return (at 30 months for months 19 - 30)	
3 rd annual return (at 42 months for months 31-42)	

10 – Number of Work Trials conducted as part of the recruitment of Supplier Personnel used in the performance of the Supplier’s obligations under the Contract.

Work Trials	Number of Work Trials conducted during the period
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Baseline return (at 6 months for months 0-6)	
1 st annual return (at 18 months for months 7-18)	
2 nd annual return (at 30 months for months 19 - 30)	
3 rd annual return (at 42 months for months 31-42)	

11 – Number of vacancies for Supplier Personnel advertised via Universal Jobmatch

Staff vacancies advertised via Universal Jobmatch	Number of vacancies for Supplier Personnel advertised via Universal Jobmatch during the period	% of all vacancies for Supplier Personnel advertised via Universal Jobmatch during the period.
Baseline return (at 6 months for months 0-6)		
1 st annual return (at 18 months for months 7-18)		
2 nd annual return (at 30 months for months 19 - 30)		
3 rd annual return (at 42 months for months 31-42)		